

**ANNUAL
REPORT** | **31 DECEMBER
2025**

WAVES CORPORATION LIMITED

Waves Corporation Limited (WAVES)

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Waves Corporation Limited (WAVES)

1. CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | | |
|----|-------------------------------|-------------------------------|
| 1. | Mr. Muhammad Zafar Hussain | Chairman/Independent Director |
| 2. | Mr. Tajammal Hussain Bokharee | Independent Director |
| 3. | Mr. Haroon Ahmad Khan | Chief Executive Officer |
| 4. | Mr. Moazzam Ahmad Khan | Non-Executive Director |
| 5. | Mrs. Nighat Haroon Khan | Non-Executive Director |
| 6. | Mr. Hamza Ahmad Khan | Executive Director |
| 7. | Mr. Khalid Azeem | Non-Executive Director |

AUDIT COMMITTEE

- | | | |
|----|-------------------------------|-------------------------------|
| 1. | Mr. Tajammal Hussain Bokharee | Chairman/Independent Director |
| 2. | Mr. Moazzam Ahmad Khan | Member/Non-Executive Director |
| 3. | Mrs. Nighat Haroon Khan | Member/Non-Executive Director |
| 4. | Mr. Ahmad Bilal Zulfiqar | Secretary |

HR & REMUNERATION COMMITTEE

- | | | |
|----|----------------------------|-------------------------------|
| 1. | Mr. Muhammad Zafar Hussain | Chairman/Independent Director |
| 2. | Mr. Khalid Azeem | Member/Non-Executive Director |
| 3. | Mr. Moazzam Ahmad Khan | Member/Non-Executive Director |
| 4. | Mr. Haroon Ahmad Khan | Member/ Executive Director |
| 5. | Mr. Ahmad Bilal Zulfiqar | Secretary |

CHIEF FINANCIAL OFFICER

Mr. Hamza Ahmad Khan

COMPANY SECRETARY

Mr. Ahmad Bilal Zulfiqar

HEAD OF INTERNAL AUDIT

Mr. Salaar Ahmad Khan

LEGAL ADVISOR

Law Wings Advocates & Solicitors

EXTERNAL AUDITOR

Rizwan and Company
Chartered Accountants

SHARE REGISTRAR

Corplink (Private) Limited

REGISTERED OFFICE/PLANT

Factory: 9-KM Multan Road, Lahore
PH. No. 042-35415421-5, 35421502-4
UAN: 042-111-31-32-33

COMPANY REGISTRATION NO.

CUIN 0001286
Email: cs@waves.net.pk
Website: www.waves.net.pk

Waves Corporation Limited (WAVES)

BANKERS

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Al Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Prudential Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China

National Bank of Pakistan
Pak Brunei Investment Company Limited
Pak Libya Holding Company Limited
Pak Oman Investment Company Limited
Samba Bank Limited
Silk Bank Limited
Sindh Bank Limited
The Bank of Khyber
The Bank of Punjab

Contact Information:

Registered Office:

042-35415421-5, 042-35421502-4

Email:

cs@waves.com.pk

Web Site:

www.waves.net.pk

** Election of the Board of Directors and Committees were held during the year*

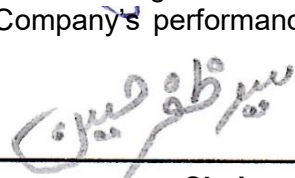
2. CHAIRMAN REVIEW

On behalf of the Board of Directors of Waves Corporation Limited (WAVES or the Company), I am pleased to present the Chairman's Review for the year ended 31 December 2025, in compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board continues to discharge its fiduciary responsibilities with a strong focus on transparency, accountability, and long-term value creation for all stakeholders. We are mindful of our role in setting the strategic direction of the Company while ensuring that an effective control environment and sound governance practices are consistently maintained.

The Board comprises a balanced mix of executive, non-executive, and independent directors, including female representation, bringing together a diverse range of skills, experience, and perspectives. This diversity enables informed decision-making and strengthens the Board's ability to provide effective oversight in an evolving business environment. During the year under review, the Board remained actively engaged in overseeing the Company's financial and operational performance. The Board also ensured that appropriate policies and procedures are in place to safeguard the Company's assets and to promote ethical conduct. In line with the requirements of the Code, the Board has undertaken an annual evaluation of its own performance, as well as that of its committees and individual members. The evaluation process is aimed at continuous improvement and enhancing overall effectiveness. The composition of the Board and its committees remain compliant with regulatory requirements, and all appointments and elections have been carried out in accordance with applicable laws and regulations. The Board has ensured that a robust system of internal control is in place, which is regularly reviewed and monitored through the Audit Committee and internal audit function. The effectiveness of these controls provides reasonable assurance regarding the reliability of financial reporting and the safeguarding of assets.

Despite a challenging economic environment during 2025, the Company demonstrated resilience through prudent financial management and adaptive strategies. The Board remained closely engaged with management to navigate these challenges while identifying opportunities for sustainable growth. Looking ahead, the near-term outlook remains cautiously optimistic but is tempered by post-balance-sheet geopolitical developments. The escalation of the Iran-US/Israel conflict in early 2026 disrupted oil supplies through the Strait of Hormuz, leading to a sharp surge in fuel prices in Pakistan and raising energy, transportation, and material costs. This will add renewed pressure on consumer demand in the home appliances sector. Pakistan played a constructive mediation role, brokering a two-week ceasefire announced on 8 April 2026. High-level peace negotiations are currently underway in Islamabad for a permanent resolution, though the ceasefire remains fragile amid differing interpretations and ongoing regional tensions. The Group continues to focus on liquidity preservation, cost optimization, and energy-efficient product strategies to navigate this volatility and deliver sustainable long-term value for shareholders.

I would like to express my appreciation to my fellow Board members for their continued dedication, constructive input, and commitment to high standards of governance. I also acknowledge the efforts of the management team and employees for their contribution to the Company's performance during the year.



Chairman

3. DIRECTORS' REPORT

3.1 Operating Results

On behalf of the Board of Directors of Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES or the Company), we are pleased to submit the Directors' Report and audited financial statements of your Company for the year ended 31 December 2025 (Consolidated and Standalone), together with the Auditors' Report thereon. Alhamdulillah, demand for WAVES branded products remained robust, supported by our continued commitment to high-quality, market-oriented, and innovative offerings.

The year under review reflected a gradual macroeconomic recovery. Easing inflationary pressures, monetary policy accommodation, and improved business confidence helped stabilize the operating environment, though challenges persisted in certain segments. The business model of the Company demonstrated resilience through timely strategic decisions, cost rationalization, and operational improvements.

The business model of the wholly owned subsidiary Waves Marketplace Limited (WAVES Plus) continued facing challenges, whereas the business model for real estate development process slowed owing to the current challenging economic and financial conditions..

The home appliances business, undertaken through our subsidiary Waves Home Appliances Limited (WAVESAPP), operated in a challenging industry environment marked by high financing costs, inflationary pressures, and constrained consumer purchasing power for much of the year. WAVESAPP responded effectively by increasing reliance on locally manufactured materials, thereby mitigating production and import-related risks compared to peers. Construction of its state-of-the-art purpose-built factory continued at a measured pace in line with the prevailing economic conditions.

In view of the tough environment, the Board of WAVESAPP requested an extension in the repayment timeline of the inter-company payable to the holding company (arising from the Court-sanctioned Scheme of Demerger and extended previously by the shareholders of WAVES). The Board of WAVES has considered this request and is placing the matter before the shareholders for approval in the interest of good corporate governance. Continued focus on knowledge management, operational efficiencies, cost rationalization, process re-engineering, and strategic initiatives enabled the Group to sustain performance despite macroeconomic pressures. Further analysis of operational and financial performance is provided elsewhere in this Annual Report.

Looking ahead, the near-term outlook remains cautiously optimistic but is tempered by post-balance-sheet geopolitical developments. The escalation of the Iran–US/Israel conflict in early 2026 disrupted oil supplies through the Strait of Hormuz, leading to a sharp surge in fuel prices in Pakistan and raising energy, transportation, and raw material costs. This has added renewed pressure on consumer demand in the home appliances sector.

Pakistan played a constructive mediation role, brokering a two-week ceasefire announced on 8 April 2026. High-level peace negotiations led by US are currently underway in Islamabad for a permanent resolution, though the ceasefire remains fragile amid differing interpretations and ongoing regional tensions. The Group continues to focus on liquidity preservation, cost optimization, and energy-efficient product strategies to navigate this volatility and deliver sustainable long-term value for shareholders.

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We extend our sincere gratitude to our valued stakeholders, including shareholders, management, employees, dealers, and suppliers, for their continued trust and support.

Financial Highlights

Financial highlights are presented as hereunder for consolidated financial statements, wherein financial results of standalone financial statements are also provided in this report:

Consolidated Operating Results

	FY25	FY24
	Rs. in '000	Rs. in '000
Gross revenue	6,368,133	5,072,833
Net revenues	4,779,331	3,944,757
Gross profit	1,344,303	1,219,295
Operating profit	1,194,260	1,791,734
Profit before Taxation and Levies	557,979	1,091,595
Profit after taxation	530,460	1,087,394
Earnings per share	1.89	3.86

Based on the current economic and financial challenges the Board has not recommended any payout for the shareholders of the Company.

The Board has considered and is providing operating results and business performance for consolidated financial results as it better reflects the performance of the Company as a holding entity. The individual standalone operating results of the Company are also given.

Consolidated Operating Performance

During the year the Company on consolidated basis achieved revenues of PKR 6.36 billion as compared to PKR 5.072 billion last year, whereas the Net Profit is PKR 0.53 billion from PKR 1.1 billion million last year, which is mainly due to the fair value gains booked in last year. Due to which the earning per share for the year is PKR 1.89 as compared to PKR 3.86 of previous year.

With the improvement in the economic conditions coupled with increase in urbanization, lowering of interest rates and growing metropolitan areas on the back of rural population migrating towards the cities for employment, better life style we expect results to improve.

Investments in Subsidiaries

The **standalone** financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. The Consolidated financial statements of the Company are prepared and presented separately.

The Company has more than 50% equity investment in Waves Home Appliances Limited and has 100% equity investment in Waves Marketplace Limited and Waves Builders and Developers (Private) Limited

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Standalone Results of the Company

The standalone results of the Company are given hereunder:

	FY25	FY24
	Rs. in '000	Rs. in '000
Gross Revenue	357,388	331,198
Operating Profit	427,927	453,814
Profit before Taxation and levies	219,827	56,953
Profit for the year	125,828	61,831
Earnings per Share	0.45	0.22

The brief information on the subsidiary companies is given in this Annual Report.

Business Overview – Activities and Development

WAVES or the Company is listed on Pakistan Stock Exchange Limited (PSX). The Company has recently gone under a Scheme of Arrangement (the Scheme) wherein the home appliances business is demerged and merged into Waves Home Appliances Limited, formerly Samin Textiles Limited (WAVESAPP), while retaining the real estate development business and retail shop network for consumer appliances and other consumer goods. The Scheme was sanctioned by the honorable Lahore High Court, Lahore on 27 May 2022. The effective date of Scheme was 31 August 2021. WAVESAPP is now a subsidiary company of the Company. The retail business is currently undertaken by Waves Market Place Limited, whereas a project company Waves Builders & Developers (Private) Limited to undertake the real estate project (which is now being merged into holding company). WAVESAPP is predominantly involved in manufacturing, assembling, and distributing a variety of home appliances and other light engineering products. WAVES has a vast range of product lines which were sold through dealer networks spread all over Pakistan and also via retail outlets owned and operated by the Company.

Waves Home Appliances Limited (WAVESAPP)

Waves Home Appliances Limited (formerly Samin Textiles Limited) was incorporated in Pakistan on 27 November, 1989 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 9-KM, Multan Road, Lahore at the same premises where the existing Registered office of the Company exists. WAVESAPP is currently listed on Pakistan Stock Exchange. The principal business of the Company was trading, import and export of appliances and other textile related products. Consequent to approval of scheme of arrangement, the principal line of business has been amended to include manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products. The appliances' manufacturing plant is being moved to a new purpose-built larger factory for which construction speed is slow but is continuing.

WAVESAPP is operating a nationwide set-up of warehouses in cities such as Karachi, Lahore, Gujranwala, Peshawar, Multan, etc., along with substantial dealers, after-sales service center and service workshop spread nationwide. The Company's sales infrastructure is comparable to any other leading Home Appliance Company operating within Pakistan.

	FY25	FY24*
	Rs. in '000	Rs. in '000
Gross Revenue	5,034,438	4,078,713

Waves Corporation Limited (WAVES)

Gross Profit		1,006,254	886,395
Profit for the Year		189,204	153,287

Since the manufacturing of home appliances is a technology-intensive business and requires technical know-how and R&D comparable with that of the global players, local companies must either heavily invest in developing such R&D and technical teams or alternatively join hands with one of the global players already looking to enter the country. The time lag in these two options clearly pushes all the local companies to join hands with the foreign players or face stiff competition. To position the Company for becoming a part of the network of the Global Player, WAVESAPP has completed corporate reorganization creating a dedicated listed company involved solely in the manufacturing and sales of domestic appliances under the WAVES brand name.

Owing to the challenges faced on account of working capital, the Company is actively transitioning to local sources of materials to reduce import dependence and developing certain imported components in-house through vendors. There is significant potential for corporate sales of deep freezers and vizi-coolers, not only to Coca-Cola but also for the broader frozen food and beverages industry. Despite ongoing challenges, WAVESAPP remains fully committed to ensuring operational continuity.

Waves Marketplace Limited (WML)

Waves Marketplace Limited is a wholly owned subsidiary of the Company is a pioneer of retail sales of home appliances, offering cash and installment sales to its treasured customers to shop with convenience at nationwide spread outlets in rural and urban areas of Pakistan. WML has shown robust growth and in order to fund its expansion plans, the Board in principle decided that it may be listed on Pakistan Stock Exchange Limited (PSX) at an appropriate time when market is conducive for listing. However, due to the current tough political and economic conditions, the pace for listing preparation is slowed, until market sentiments are improved. The Gross revenues have decreased owing to high level of inflation and interest rates and weak market sentiments.

	FY25	FY24
	<u>Rs. in '000</u>	<u>Rs. in '000</u>
Gross Revenue	1,112,613	1,104,878
Gross Profit	338,050	333,216
Profit before Taxation	97,532	40,841
Profit after Taxation	66,019	52,363

The management in parallel is also considering alternate options of funds arrangement for growth by way of securitization of receivables and/or strategic equity investors/partners. With high interest rates, growing population and high rate of urbanization, the business model of Buy Now Pay Later (BNPL) has immense growth potential similar to other parts of the developed economies.

However, WAVES Plus will focus on a balance sales mix between Installment Sales and Cash Sales keeping in view the risk and rewards. Waves network has a potential to grow its sales multifold on the same network in line with the industry averages.

Waves Builders and Developers (Private) Limited (WBDL)

The Company was incorporated as an SPV by the holding company to undertake the real estate business. All the project development costs were incurred by the holding company and then were to be allocated to WBDL once the project is at an execution phase. Since the development of real estate project is at a slower pace owing to the tough economic and financial challenges, therefore,

Waves Corporation Limited (WAVES)

the Board decided that WBDL be merged with and into the Company at an appropriate time, if deemed necessary, in order to reduce regulatory and corporate costs.

	FY25	FY24
	<u>Rs. in '000</u>	<u>Rs. in '000</u>
Operating Loss	460	330
Loss for the Year	460	330

Scheme of Arrangement

During the FY 22 the honorable Lahore High Court, Lahore sanctioned the Scheme of Arrangement by and between WAVES and WAVESAPP wherein home appliances business was carved out into WAVESAPP, while retaining the retail and real estate business. This will provide several benefits including unique identities of individual companies, more focused business, customer base, supervision and controlling the business/direction of WAVESAPP, while the management of WAVESAPP can operate and manage the business of WAVESAPP on a regular day-to-day basis. Accordingly, 199,724,956 ordinary shares were issued to WAVES by WAVESAPP out of the total issue of 256,006,196 ordinary shares pursuant to the Scheme, which resulted in becoming WAVESAPP as a subsidiary of the Company. In addition, as a Settlement Consideration WAVESAPP also issued 56,281,240 shares of WAVESAPP to the shareholders of WAVES. The balance of PKR 2 billion cash was to be settled within two (2) years of the sanction of the Scheme. No profit/mark-up shall accrue on such outstanding amount if the said amounts is settled within two (2) years of the sanction of the Scheme. The Board has approved the extension of repayment of PKR 2.0 billion for another period of 2 years. For further details please refer the paragraphs at the start of the Notes to the Annual Financial Statements. Due to the economic and financial challenges including persistent high interest rates, the Management is in discussion with the financial institutions to restructure and optimize the Company's debt profiles.

In addition, WAVES and WAVESAPP are in the process of completing outstanding formalities post sanction of Scheme of Arrangement related to the taxation matters as the case may be, since it is taking sometimes owing to regulatory challenges. The management is moving ahead in an appropriate and planned manner for the best interest of the Company and its shareholders. It is envisaged that these formalities shall be completed soon.

Economic and Industry Analysis

The year 2025 witnessed a gradual macroeconomic recovery in Pakistan. Easing inflationary pressures, successive reductions in the State Bank of Pakistan's policy rate, strong remittances, and improved business confidence supported a rebound in economic activity. These positive developments enabled the Group to demonstrate resilience despite lingering challenges in consumer demand and financing costs.

The home appliances sector, in particular, benefited from the improving environment, though it continued to face pressures from elevated (though declining) interest rates and subdued purchasing power for much of the year. Our subsidiaries responded with disciplined cost management, greater reliance on local manufacturing, and operational efficiencies to protect margins and maintain market position.

FUTURE OUTLOOK

Waves Corporation Limited (WAVES)

Looking ahead, the near-term outlook remains cautiously optimistic but is tempered by post-balance-sheet geopolitical developments. The escalation of the Iran–US/Israel conflict in early 2026 disrupted oil supplies through the Strait of Hormuz, leading to a sharp surge in fuel prices in Pakistan and raising energy, transportation, and raw material costs. This has added renewed pressure on consumer demand in the home appliances sector. Pakistan played a constructive mediation role, brokering a two-week ceasefire announced on 8 April 2026. High-level peace negotiations led by US are currently underway in Islamabad for a permanent resolution, though the ceasefire remains fragile amid differing interpretations and ongoing regional tensions.

Given the technology-intensive nature of the home appliances industry, the Group remains focused on continuous investment in research and development, operational modernization, and technical expertise. Waves Home Appliances Limited (WAVESAPP) continues to enhance efficiency through ERP systems (including SAP B1), maintains international quality certifications, and prioritizes energy-efficient product innovation. Waves Marketplace Limited leverages its extensive retail and distribution network to strengthen brand reach across urban, suburban, and rural markets. The real estate project, strategically located in a high-traffic, densely populated area of Lahore with no comparable large-scale competition nearby, is well-positioned to deliver value as economic conditions stabilize.

The Group continues to focus on liquidity preservation, cost optimization, process improvements, and energy-efficient strategies to navigate current volatility and deliver sustainable long-term value for shareholders.

RISKS, UNCERTAINTIES AND MITIGATIONS

The Company recognizes that risk is an integral part of business and is committed to managing the risks proactively and efficiently. The Company periodically assesses risks, in the internal and external environment and incorporates risk mitigation plans in its strategy and business/operational plans. Every risk is carefully looked into, as in some of the cases post-analysis it may lead to a new business opportunity.

The Company has a well-defined risk management framework in place. The risk management framework works at various levels from top to bottom across the enterprise. These levels form the strategic defense cover of the Company’s risk management. The Company’s Risk Management Committee monitors and reviews the risk mitigation plan.

Key Business Risks	Mitigants
Operational excellence – These are risks associated with internal factors, administrative and operational procedures like employee turnover, supply chain disruption, IT system shutdowns or control failures.	<ul style="list-style-type: none"> Your Company has initiated vendor rationalization, emphasis on in-house manufacturing and scorecard evaluation of vendors has been put in place. Your Company has put in place a quality and process improvement program across the Company, including strategic vendors, during the year with progress being tracked at regular Management reviews.
Branding/Innovation Risk – Risk that applies to innovative areas of your business such as product research and to cope up with latest market trends and product innovation.	<ul style="list-style-type: none"> Your Company has put in place a centralized marketing structure during the year, thereby strengthening its consumer insight process and filling up competency gaps in the concerned function. Company’s research and development department has been strengthened and is

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	continuously looking into and implementing product innovation strategies.
Organization Excellence – Ability to attract and retain the right talent may lead to your Company’s inability to achieve organization’s goals.	<ul style="list-style-type: none"> Your Company has put in place Succession Planning framework mapping career development and progression opportunities for suitable employees and thereby ensuring talent retention
Liquidity Risk- is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset	<ul style="list-style-type: none"> Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans
Credit Risk- Credit risk represents the risk of a loss if the counterparties fail to perform as contracted.	<ul style="list-style-type: none"> The risk is mitigated by applying individual credit limits and by securing the majority of trade debts against bank guarantees and inland letter of credit. The credit risk arising on account of acceptance of these bank guarantees is managed by ensuring that the bank guarantees are issued by banks of reasonably high credit ratings as approved by the Board of Directors.
Price Risk- with new entrants in the market, there is a likelihood of price competition which might squeeze margins.	<ul style="list-style-type: none"> The Company is constantly sourcing competitive suppliers, improving its technology, efficiency and productivity. Also, since WAVES has in-house capability to develop products with fast turnaround time, that by itself obviates possibilities of competition affecting WAVES.
Competitive Risk- Increasing entrants making their way into the plastic industry.	<ul style="list-style-type: none"> WAVES’s diversified product line and unique dealer plus retail sale structure and technical expertise makes it adequately prepared to face these challenges.
Geo-political and Energy Supply Risk (Emerging)- escalation of the Iran–US/Israel conflict in early 2026 led to disruption in oil supplies through the Strait of Hormuz, causing sharp increases in global crude and domestic fuel prices. This resulted in higher transportation, energy, and raw material costs, elevated inflation, and pressure on consumer demand. Pakistan is currently hosting high-level peace negotiations in Islamabad (commencing 10–11 April 2026) between the US and Iran following a fragile two-week ceasefire, introducing both	<ul style="list-style-type: none"> Strengthened cost rationalization and working capital optimization measures. Focus on liquidity preservation, product-mix optimization toward more energy-efficient models, and selective sourcing strategies to mitigate input cost pressures. Close monitoring of macroeconomic and geopolitical developments with agile decision-making and contingency plans to protect margins and supply chains. The

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opportunities for regional stabilization and ongoing uncertainties	Board remains vigilant on the outcome of the Pakistan-hosted talks
Regulatory Risk- Imposition/enhancement of duties, taxes, levies and other conditions may adversely affect the operations.	<ul style="list-style-type: none">• New levies go across the board, so we stay competitive

ENVIRONMENT, HEALTH & SAFETY

We are committed to achieve excellence in health, safety, and the environment across our business. We prioritize the safety of our employees and work hard to provide a positive environment, good health, and safety culture, particularly at our manufacturing facilities while vigilantly fulfilling our environmental duties and responsibilities. Our company gives importance to the occupational safety and health of our workers. We maintain a safe working environment and takes responsibility for the health and wellbeing of our staff and stakeholders. The Company actively trains all employees to ensure their safety at both the workplace and beyond. Besides, our manufacturing, distribution, and retail operations have developed SOPs that seek to reduce the risk of accidents.

SUSTAINABILITY AND ESG COMMITMENT (ESG)

In alignment with the SECP's ESG Regulatory Roadmap and the adoption of IFRS Sustainability Disclosure Standards (S1 and S2), Waves Home Appliances Limited remains committed to integrating Environmental, Social, and Governance (ESG) considerations into its core strategy. The Board has initiated oversight of sustainability-related risks, with a primary focus on energy efficiency, a critical pillar in the current high-cost energy landscape. Through our transition to 'Inverter' technology and optimized manufacturing processes, we aim to mitigate our environmental footprint while delivering long-term value. Furthermore, the Company is in the process of reviewing for onboarding the SECP's 'ESG Sustain Portal' to ensure transparent and standardized reporting of our social impact and governance practices, reinforcing our commitment to responsible corporate citizenship

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We believe in collective effort and therefore, have created a strong organizational culture that extends benefits to all employees and stakeholders. We embrace social responsibility as one of our core values and it is shared by every member of the group. Sustainable and responsible development is not only binding by local laws on corporate entities, but it is more about moral obligation which needs to be followed and practiced with the best spirit.

We strongly believe that improving its environmental and social performance is inevitable for its financial success. The Company always emphasizes a culture of excellence, good governance, transparency, integrity, and accountability. WAVES has been consistently running the following diverse CSR initiatives each fulfilling in achieving our goals towards our CSR vision.

GENDER PAY GAP STATEMENT

WAVES, we believe in fairness and equality for everyone on our team. We're committed to providing a workplace where all employees are treated with respect and given equal opportunities to grow and succeed.

We ensure that our female employees (if any) receive the same pay and benefits as their male colleagues, fostering an environment where talent and hard work are what truly matter. Our inclusive culture values individuals from all backgrounds regardless of age, gender, race, marital status, disability, religion, beliefs or color. Our commitment to gender diversity is evident through representation of women on our Board of Directors.

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INVESTMENT IN HUMAN CAPITAL

At Waves Corporation, we believe in attracting the best talent in the marketplace and giving them the skills and opportunities, they need to become high-achievers.

Human Assets

The Company treats its people as its most important asset. We are always on the lookout to recruit, train and promote the best human resource talent available. Besides attractive remuneration packages, our corporate culture is designed to boost employee performance. Our succession planning framework proactively guides our recruitment and promotion activities.

Learning & Organizational Development

Our workforce regularly undergoes training in their respective functional areas. The Singer Retail Academy is instrumental in taking the employees through a comprehensive workforce training calendar. We also conduct workshops to make our employees aware of new developments in the field to remain abreast of the changing market landscape.

Adequacy of Internal Financial Controls

The internal control framework has been effectively implemented through an in-house Internal Audit function established by the Board which is independent of the External Audit function. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company, and the shareholders' wealth at all levels within the Company. The Internal Audit function has carried out its duties under the charter defined by the Audit Committee. The Audit Committee has reviewed material Internal Audit findings, took appropriate action or brought the matters to the Board's attention where required. Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

BEST PRACTICES OF CORPORATE GOVERNANCE

Our Code of Conduct lists Ethics as one of our core values, therefore Waves Corporation Limited has a zero-tolerance policy towards any form of discrimination and harassment. Similarly, honesty and open communication is also expected on the reporting front, we care how we get results. We believe it is essential for everyone associated with Waves Corporation Limited to embrace this culture and live by the highest standards of integrity and accountability. The Board of directors adopted the Code of Conduct for Directors and employees and the same has been circulated to board members and employees in terms of requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The code of conduct is also placed on the Company's website.

Directors' Statement

As required by the Code, we, the Directors of the Company, are pleased to state that:

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;
- b) Proper books of account have been maintained by the Company;

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- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements;
- d) The accounting estimates are based on reasonable and prudent judgment;
- e) International Accounting Standards (IAS) and IFRS, as applicable in Pakistan, have been followed in the preparation of financial statements;
- f) The system of internal control is sound in design and has been effectively implemented and monitored;
- g) There are no significant doubts upon the Company's ability to continue as a going concern; and
- h) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations except to the extent mentioned in this Annual Report.

Statement of Compliance

The Company adheres to the best practices of governance. The Company has issued a "Statement of Compliance with the Code of Corporate Governance" as stipulated in listed Companies (Code of Corporate Governance) Regulations 2019, which has also been reviewed and certified by the Auditors of the Company.

Meetings and Activities during the Financial Year

During the year, four (4) meetings of the Board of Directors were held, which were presided over by the Chairman. The Chief Financial Officer and Company Secretary also attended the meetings to the extent required.

Board of Directors

No	Name of Director	Status	Meetings Attended
1	Mr. Haroon Ahmad Khan	CEO / Director	4
2	Mr. Moazzam Ahmad Khan	Non-Executive Director	4
3	Mrs. Nighat Haroon Khan	Non-Executive Director	4
4	Mr. Hamza Ahmad Khan	Executive Director	4
5	Mr. Tajammal Hussain Bokharee	Independent	4
6	Mr. Khalid Azim	Non-Executive Director	4
7	Mr. Zafar Hussain	Independent	4

Audit Committee

An Audit Committee of the Board has been in existence since the enforcement of the Code of Corporate Governance. It comprises of three (3) members.

The Chairman is an Independent Director. Other members include two (2) Non-Executive Directors. Five (5) meetings of the Audit Committee were held during the year. Attendance of each Member is given hereunder: –

No.	Name of the Director	Status	Meetings Attended
1	Mr. Tajammal Hussain Bokharee	Independent Director	5
2	Mrs. Nighat Haroon Khan	Non-Executive Director	5
3	Mr. Moazzam Ahmad Khan	Non-Executive Director	5

The Audit Committee has adopted its terms of reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Human Resource and Remuneration Committee

Waves Corporation Limited (WAVES)

The Human Resource & Remuneration Committee comprises of Four (4) members out of which one (1) member is independent and there are one (1) Executive Directors and two (2) Non-Executive Directors. One meeting of the Human Resource and Remuneration Committee was held during the year. Attendance of each Member is given hereunder –

No.	Name of the Director	Designation	Attended
1	Mr. Muhammad Zafar Hussain	Chairman/Independent	1
2	Mr. Moazzam Ahmad Khan	Non-Executive Director	1
3	Mr. Khalid Azeem	Non-Executive Director	1
4	Mr. Haroon Ahmad Khan	Executive Director	1

The Human Resource and Remuneration Committee has adopted its terms of reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019

Evaluation of the Board's Performance and Directors' Training Program

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board, and of its committees against pre-determined operational and strategic goals. Effective boards make sound collective decisions to meet the company's strategic objectives and provide oversight and support on key matters to management for optimal operational performance. A well-conducted evaluation helps the board and its committees to perform to their maximum capabilities, crucial for the continuing success and growth in the long-term sustainable value of the Company.

Notice of Annual General Meeting

The notice of Annual General Meeting is also attached to this Report.

Pattern of Shareholding

The total number of the Company's shareholders as of 31 December 2023 were 6,980 in numbers. The pattern of Shareholding of the Company as of 31 December 2023, along with a pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework as well as the statement of purchase and sale of shares by Directors, executives, and their spouses including minor children (if any) during financial year 2023 is given in the report.

Election of Directors

The existing Board of Directors were elected on 11 August 2023 comprising of seven (7) Directors including one (1) Female non-executive Director, two (2) Independent Directors, one of them is Chairman of the Board also, two (2) non-executive Directors and two (2) executive Directors including Chief Executive Director. Detailed composition as per the Listed Companies (Code of Corporate Governance) Regulations, 2019, is given in "Statement of Compliance" annexed to the Annual Report. These Directors were re-appointed during the year.

Directors' Remuneration

The Board of Directors has duly approved the policy and procedure for remuneration of the Directors for attendance of Board and Committee meetings in compliance with the requirements of the Company's Article of Association, Companies Act, 2017 and the listed companies (Code of Corporate Governance) Regulations, 2019. The remuneration is determined by the level of

Waves Corporation Limited (WAVES)

responsibility and expertise, to attract and retain the best talent while ensuring that their independence is not compromised in any manner. Its main features include that Independent Directors are entitled to meeting fees as remuneration for attending meetings of the Board of Directors and other committees of the Board. Details of the remuneration paid to Directors during the year is given in relevant Note of the Financial Statements.

Investor Relations & Website

We want our investors, shareholders, and customers to be well informed about us and our operations so we can continue to build lasting and mutually beneficial relationships. We are determined to service our Shareholders and Stakeholders by delivering material information as soon as the same are available for circulation. As a practice, we will regularly publish all material communiqués on the official website of the company (www.waves.net.pk) such as the Company's financial, operational performance, a pattern of shareholding, material disclosures, and any other information deemed essential for the investors.

Our investor complaint section also covers detail of the person to contact in case of investor grievances so that your concerns may be duly addressed.

EXTERNAL AUDITORS

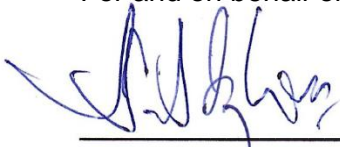
The Audit Committee has recommended the reappointment of M/s. Rizwan & Co., Chartered Accountants, Lahore, as Statutory Auditors of the Company for the year ending 31 December 2026, at a fee to be mutually agreed upon. The Board has endorsed this recommendation.

ACKNOWLEDGEMENTS

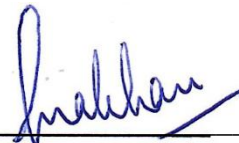
We would like to thank all our stakeholders, especially our valued customers, suppliers, business partners, financial institutions, regulators, who have positioned their trust in us. The Company's accomplishments and present standing could not have been possible without the unswerving commitment, hard work, immense support, and efforts of our management team and other employees who deserve a full compliment. We are confident that the team will continue to grow and constantly deliver on the expectations of all stakeholders. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, and the management of the Pakistan Stock Exchange for their continued support and cooperation. We would also like to extend our sincerest gratitude to our shareholders for the confidence and trust they have reposed in us and for their unwavering support.

For and on behalf of the Board:

For and on behalf of the Board:



Haroon Ahmad Khan
Chief Executive Officer
Lahore

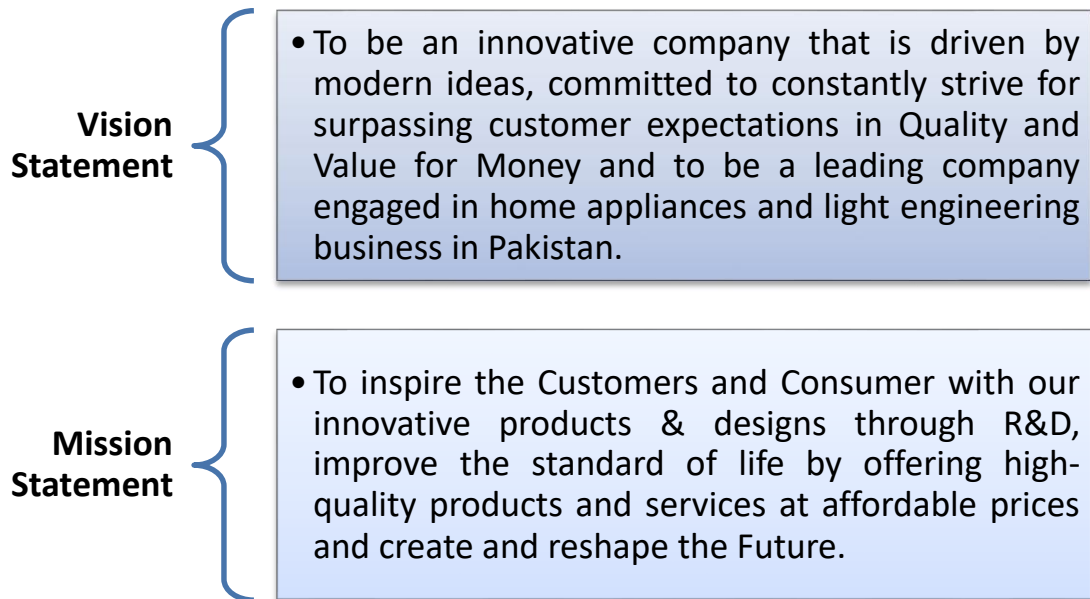


Moazzam Ahmad Khan
Director

4. CORPORATE VALUE STATEMENTS

4.1 Corporate Values

Vision & Mission



Core Values



Waves Corporation Limited (WAVES)

Code of Conduct

WAVESAPP has committed itself to conduct its business in an honest, ethical and legal manner. The Company wants to be seen as a role model in the community by its conduct and business practices. All this depends on the Company's personnel, as they are the ones who are at the forefront of Company's affairs with the outside world.

This statement in general is in accordance with Company goals and principles that must be interpreted and applied within the framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to. Waves Group endeavors for implementation of similar code in other companies that it controls.

RESPECT, HONESTY AND INTEGRITY

Directors and employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The Company is committed to comply and take all reasonable actions for compliance with all applicable laws, rules and regulations of state or local jurisdiction in which the Company conducts business. Every director and employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.

FULL AND FAIR DISCLOSURE

Directors and employees are expected to help the Company in making full, fair, accurate, timely and understandable disclosure, in compliance with all applicable laws and regulations, in all reports and documents that the Company files with, furnishes to or otherwise submits to, any governmental authorities in the applicable jurisdiction and in all other public communications made by the Company. Employees or directors who have complaints or concerns regarding accounting, financial reporting, internal accounting control or auditing matters are expected to report such complaints or concerns in accordance with the procedures established by the Company's Board of Directors.

PREVENT CONFLICT OF INTEREST

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company. Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board and will be disclosed to the shareholders.

TRADING IN COMPANY SHARES

Trading by directors and employees in the Company shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws. This also includes shares of the companies that are directly/indirectly controlled by the Company.

Waves Corporation Limited (WAVES)

INSIDE INFORMATION

Directors and employees may become aware of information about Company that has not been made public. The use of such non-public or “inside” Directors and employees becoming aware of information which might be price sensitive with respect to the Company’s shares have to make sure that such information is treated strictly confidential and not disclosed to any colleagues or to third parties other than on a strict need-to know basis. Potentially price sensitive information pertaining to shares must be brought promptly to the attention of the Management, who will deliberate on the need for public disclosure. Only the Management will decide on such disclosure. In case of doubt, seek contact with the Company Secretary and/or the Chief Financial Officer.

MEDIA RELATIONS AND DISCLOSURES

To protect commercially sensitive information, financial details released to the media should never exceed the level of detail provided in Quarterly and Annual Reports or official statements issued at the presentation of these figures. As regards topics such as financial performance, acquisitions, divestments, joint ventures and major investments, no information should be released to the press without prior consultation with the Management. Employees should not make statements that might make third parties capable of “insider trading” on the stock market.

COMPETITION AND FAIR DEALING

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner’s consent or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee are expected to deal fairly with Company’s customers, suppliers, competitors and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information or any other unfair practice.

The Company is committed to selling its products and services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code. Bribes, kickbacks and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. Any commission payment should be justified by a clear and traceable service rendered to the Company. The remuneration of agents, distributors and commissioners cannot exceed normal business rates and practices. All such expenses should be reported and recorded in the Company’s books of accounts.

EQUAL EMPLOYMENT OPPORTUNITY

The Company believes in providing equal opportunity to everyone around. The Company laws in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender or disability is acceptable. No harassment or discrimination of any kind will be tolerated; directors and employees need to adhere standards with regard to child labor and forced labor.

WORK ENVIRONMENT

All employees are to be treated with respect. The Company is highly committed to providing its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation or personal behavior not conducive to a productive work climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

Waves Corporation Limited (WAVES)

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

PROTECT HEALTH, SAFETY AND SECURITY

The Company intends to provide each director and employee with a safe work environment and comply with all applicable health and safety laws. Employees and directors should avoid violence and threatening behavior and report to work in fair condition to perform their duties.

RECORD KEEPING

The Company is committed to compliance with all applicable laws and regulations that require the Company to maintain proper records and accounts which accurately and fairly reflect the Company's transactions. It is essential that all transactions be recorded and described truthfully, timely and accurately on the Company's books.

No false, artificial or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason. Records must always be retained or destroyed according to the Company's record retention policies.

PROTECTION OF PRIVACY AND CONFIDENTIALITY

All directors and employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers, suppliers and other colleagues and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure.

All the Company's assets (processes, data, designs, etc.) are considered as certified information of the Company. Any disclosure will be considered as grounds, not only for termination of services/employment, but also for criminal prosecution, legal action or other legal remedies available during or after employment with the Company to recover the damages and losses sustained.

PROTECTION & PROPER USE OF COMPANY ASSETS / DATA

Each director and employee are expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All the Company assets should be used for legitimate business purposes only. The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited. Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

GIFT RECEIVING

Directors and employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company. However, this does not preclude giving or receiving gifts or entertainment, which are customary and proper in the circumstances, provided that no obligation could be or be perceived to be, expected in connection with the gifts or entertainment.

Waves Corporation Limited (WAVES)

COMMUNICATION

All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue relative to employee concerns.

The Company strongly believes in a clean desk policy and expects its employees to adhere to it not only for neatness but also security purposes.

EMPLOYEE RETENTION

High quality employee's attraction and retention is very important. The Company will offer competitive packages to the deserving candidates. The Company strongly believes in personnel development and employee training programs are arranged regularly.

INTERNET USE / INFORMATION TECHNOLOGY

As a general rule, all Information Technology related resources and facilities are provided only for internal use and/or business-related matters. Information Technology facilities which have been provided to employees should never be used for personal gain or profit, should not be misused during work time and remain the property of the Company.

Disclosure or dissemination of confidential or proprietary information regarding the Company, its products or its customers outside the official communication structures is strictly prohibited.

COMPLIANCE WITH BUSINESS TRAVEL POLICIES

The safety of employees while on a business trip is of vital importance to the Company. The Company encourages the traveler and his/her supervisor to exercise good judgment when determining whether travel to a high-risk area is necessary and is for the Company's business purposes.

It is not permitted to combine business trips with a vacation or to take along spouse, relative or friend without the prior written authorization from Management.

COMPLIANCE

It is the responsibility of each director and employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation.

Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code. Any person meeting with difficulties in the application of this code should refer to the Management.

Waves Corporation Limited (WAVES)

4.2 Corporate Objectives & Strategies

Objectives	Strategies
Enhance shareholders' Returns	To manage business in an efficient manner with a constant focus on the topline and bottom-line performance of the Company
Become Price-Competitive	Improve production efficiency through both technological upgrades and optimal resource utilization
Broaden the Product Portfolio	Enter into strategic trading relationships with global brands to improve standing in segments where product standing is weak
Exceed Customer Expectations	Invest in customer-centric initiatives to improve geographical touch-points and after-sales services
Create a Pro-Growth, Learning Organization	Promote employee training & development and ethical business
Knowledge Management	Promote tacit and explicit knowledge within the Group to effectively create, gather, store and re-use knowledge as an asset for ultimate Group benefits

5. HISTORY OF WAVES

5.1 Brief History and Holding Company

Waves Home Appliances Limited, formerly Samin Textiles Limited (WAVESAPP or the Company) is listed on Pakistan Stock Exchange Limited (PSX). The principal line of business was trading, import and export of textile products. Consequent to the approval of the Scheme of Arrangement (the Scheme) by and between the Company and Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVES) home appliances business of WAVES was acquired with effect from 31 August 2021 by the Company, under the sanction order of the honorable Lahore High Court, Lahore on 27 May 2022). As per the Scheme the Company shall be a subsidiary company of WAVES.

Waves Corporation (WAVES or Holding company) history has its legacy from the Singer's brand where Singer's history dates back to 1850, when Isaac Merritt Singer manufactured the first ever sewing machine in Boston, USA. I. M Singer & Company was duly incorporated during the same year. The name changed to Singer Manufacturing Company during 1853 when the factory of the Company was also relocated to New York, USA. Singer established its presence in the Indian sub-continent during 1877. Over the years, and after the independence of Pakistan, Singer continued its business of sewing machines in the country, but also started dealing in domestic consumer appliances, besides manufacturing and assembling light engineering products. In 1985, Singer became a public listed company. Later with global restructuring of Singer, the local Singer company was sold out to professional team having expertise in home appliances and light engineering businesses. Under Singer brand the Holding company manufactured variety of consumer appliances including refrigerators, air conditioners, LED TVs, washing machines, microwave ovens, in addition to its more traditional offerings of sewing machines, water heaters and gas ovens etc. In addition, it had an extensive retail network in Pakistan that covered mostly small towns and metropolitan cities of the country.



Later the Holding company acquired WAVES brand through a merger sanctioned by the honorable high court, wherein Cool Industries (Private) Limited (owner of Waves brand) and Link Well (Private) Limited were merged with and into the Company and the name of the Company was changed from Singer Pakistan Limited to Waves Singer Pakistan Limited. With the growth in business, the management of Holding Company felt prudent to demerge home appliances business into a separate entity Waves Home Appliances Limited, formerly Samin Textiles Limited (WAVESAPP), while retaining the real estate development business and retail shop network for consumer appliances and other consumer goods.

The Holding company was in discussion with Singer International since year 2021 in respect of relinquishment of Singer brand. During the first quarter of year 2022, the deal with the Singer International was not conclusive. Efforts are still in pipeline for re-negotiation of royalty to Singer International. However, in order to avoid legal complication, the Holding company halted the use of Singer brand and its related production. Accordingly, the name of the Holding company was also changed to exclude the word "Singer" from the name of the Company.

WAVES brand of consumer appliances was established by Cool Industries (Private) Limited in 1971 by a family of entrepreneurs from Lahore. Within a span of four decades, the Company became a household brand in the country. The history of the company is filled with many milestones. Back in 1976, it started the production of refrigerators. By 2002, the company had become the sole producer of Split Air Conditioners in



Waves Corporation Limited (WAVES)

Pakistan. The company started producing Microwaves in 2003, under an agreement with GALANZ, a Chinese company. The product take-off was impressive, thanks to product durability. The production of Washing Machines started in 2004, when Waves pioneered single-tub and double-tub washing machines in this market. The company continued its growth path until 2015, when a tough competitive landscape and succession issues within the sponsors family created many bottlenecks in the smooth operations of the company. Subsequently, WAVES was acquired by the sponsors of Waves Corporation Limited (formerly Waves Singer Pakistan Limited).

The Holding company has two other subsidiary companies i.e., Electronic Marketing Company Limited which is a pioneer retail of retail sales offering cash and installment sales to our treasured customers to shop with convenience at our 141 nationwide spread outlets in rural and urban areas of Pakistan; and Waves Builders and Developers (Private) Limited, which is formed to undertake real estate projects.

Restructuring of the Company

During the year, effective from 01 September 2021 Waves Home Appliances Limited (WAVESAPP or the Company) and Waves Corporation Pakistan Limited, formerly Waves Singer Pakistan Limited (WAVES) completed a Scheme of Arrangement as follows:

1. Carving out / separation of home appliances business from WAVES by transferring certain assets, liabilities, obligations, contracts and undertakings and amalgamating the same with and into WAVESAPP as of the effective date 01 September 2021 against allotment and issue of WAVESAPP shares to WAVES and its shareholders.
2. The Honorable Lahore High Court (the Court) through its Order dated 27 May 2022 which was issued on 22 June 2022, has approved the Scheme of Arrangement as proposed and granted sanction order for the carving out of home appliances business from the WAVES and amalgamation of the same into the subsidiary WAVESAPP.

As consideration for the transfer of the home appliances business, WAVESAPP shall issue a total of 256,006,196 shares as follows:

1. 199,724,956 shares shall be issued and allotted to WAVES.
2. Remaining 56,281,240 shares of WAVESAPP shall to be issued and allotted to shareholders of the WAVES in the ratio of 20 shares for every 100 shares of the WAVES.
3. Rs. 2 billion in cash is payable to the WAVES by WAVESAPP; no additional compensation shall be applicable against this amount if the said amount is settled by the WAVESAPP within 2 years of sanction of this scheme. However, if the said amount is still wholly or partially outstanding at the end of 2 years of the sanction of scheme, then a profit/mark-up shall be payable on outstanding amount on a quarterly basis in arrears at such profit/mark-up rate as determined by the Board(s) of Directors of each of the Company at the relevant time, provided such profit/mark-up rate shall not be less than the rate prescribed under applicable laws

As part of the arrangement hereunder, subsequent to the Scheme completion date, but prior to the issuance/allotment of WAVESAPP Shares to WAVES and its shareholders, share capital of WAVESAPP is consolidated from every 225 shares to 100 shares i.e., total paid up capital from 26,728,000 to 11,879,111 shares. The WAVES Group expects several benefits after this scheme of arrangement including the synergies of operations, allowing them to become leading suppliers /

Waves Corporation Limited (WAVES)

service providers, resulting in greater revenue. Furthermore, by separating the business segments (as contemplated in this Scheme), the individual companies shall have unique identities and a more focused business and customer base. At the same time, as a consequence of the arrangement, WAVESAPP has become a subsidiary of the Company and this will allow the management of each Company to focus on the business segment, resulting in better performance of the same. Further, this will enable WAVES to oversee, supervise and control the business / direction of WAVESAPP, while the management of WAVESAPP can operate and manage the business of WAVESAPP on a regular / day-to-day basis.

The shares have been issued to WAVES and the shareholders of WAVES.

Subsequent to the period end and pursuant to the Scheme, the previous Board of Directors of the Company resigned and new Board was appointed by the Company which took effective charge on 02 August 2022. The new Board is in the process of reviewing and updating the systems, procedures and other corporate formalities in the best interest of the Company.

Holding Company

Pursuant to the Scheme, Waves Corporation Limited, formerly Waves Singer Pakistan Limited (WAVE) has now become a holding company of WAVESAPP. Currently the new shares issuance pursuant to the Scheme are in process of issuance for which necessary notices of book closures has already been issued by WAVES.

The registered office of WAVES is located at 9-KM Multan Road, Lahore. The registered office of the Company is being shifted to the Registered Office of the Holding Company.

6. WAVES PRODUCTS

6.1 Products

Waves Branded Product Range



Waves Brand

- Deep Freezers
- Visi Coolers
- Refrigerators
- Air Conditioners
- Washing Machines
- Microwaves
- Water Dispensers
- Water Heaters
- Instant Geysers
- Cooking Ranges



Waves Corporation Limited (WAVES)

6.2 Quality Management

Waves standardized manufacturing processes and rigorous quality control management procedures are followed to achieve consistency in product performance and enhance customer satisfaction. The Company recognizes the importance of Quality Management System as an integrated function; combined with Innovation, Research & Development and Information Technology. The Company complies with the International Standard ISO 9001:2015 accredited by IAF & UKAS.

The Company has developed extensive In-house Quality Checks and Controls to assure complete risk coverage from the Designing to the Customer usage. The controls encompass the processes of Design & Development, Material Ordering & Receiving, Initial Material Inspection, Manufacturing and Product Testing to End User.

6.3 Geographical Presence & Distribution



Waves Corporation Limited (WAVES)

7. OTHER INFORMATION

7.1 Pattern of Shareholding

THE COMPANIES ACT, 2017
Form 20
Section 227(2)(f)
PATTERN OF SHAREHOLDING

1.1 Name of the Company: Waves Corporation Limited

2.1 Pattern of holding of shares held by the shareholders as at: **31 December 2025**

2.2	No. of Shareholders	-----Shareholdings-----		Total Shares Held
		From	To	
	1,118	1	100	33,682
	1,037	101	500	367,363
	906	501	1,000	810,620
	2,196	1,001	5,000	6,226,150
	844	5,001	10,000	6,908,481
	345	10,001	15,000	4,478,095
	240	15,001	20,000	4,449,157
	177	20,001	25,000	4,201,528
	119	25,001	30,000	3,397,530
	71	30,001	35,000	2,344,861
	82	35,001	40,000	3,159,211
	47	40,001	45,000	2,007,781
	97	45,001	50,000	4,785,948
	37	50,001	55,000	1,957,310
	27	55,001	60,000	1,575,740
	21	60,001	65,000	1,319,283
	14	65,001	70,000	961,501
	15	70,001	75,000	1,114,260
	13	75,001	80,000	1,027,669
	15	80,001	85,000	1,248,262
	12	85,001	90,000	1,055,838
	3	90,001	95,000	279,341
	56	95,001	100,000	5,582,690
	8	100,001	105,000	825,252
	10	105,001	110,000	1,087,267
	5	110,001	115,000	561,459
	7	115,001	120,000	827,973
	10	120,001	125,000	1,239,537
	4	125,001	130,000	513,054
	6	130,001	135,000	799,836
	4	135,001	140,000	553,604
	5	140,001	145,000	709,744
	14	145,001	150,000	2,089,514
	5	150,001	155,000	760,002

Waves Corporation Limited (WAVES)

3	155,001	160,000	474,000
3	160,001	165,000	489,000
2	165,001	170,000	337,246
4	170,001	175,000	697,215
1	175,001	180,000	179,000
3	180,001	185,000	543,237
4	185,001	190,000	752,610
1	190,001	195,000	195,000
20	195,001	200,000	3,992,862
4	200,001	205,000	812,360
3	205,001	210,000	623,654
1	215,001	220,000	220,000
1	220,001	225,000	222,500
1	225,001	230,000	230,000
4	230,001	235,000	933,500
2	240,001	245,000	488,592
5	245,001	250,000	1,248,501
1	255,001	260,000	257,000
1	260,001	265,000	265,000
1	270,001	275,000	275,000
1	275,001	280,000	278,000
2	280,001	285,000	570,000
2	285,001	290,000	579,500
11	295,001	300,000	3,290,347
1	300,001	305,000	300,697
1	305,001	310,000	310,000
2	320,001	325,000	648,500
1	325,001	330,000	325,001
2	340,001	345,000	685,917
1	345,001	350,000	350,000
2	360,001	365,000	721,100
1	365,001	370,000	369,475
2	370,001	375,000	749,988
2	375,001	380,000	755,611
1	385,001	390,000	388,210
1	390,001	395,000	390,453
7	395,001	400,000	2,800,000
1	400,001	405,000	405,000
2	415,001	420,000	835,803
2	440,001	445,000	885,750
1	445,001	450,000	450,000
1	450,001	455,000	452,000
1	460,001	465,000	460,687
1	470,001	475,000	475,000
1	490,001	495,000	493,512
8	495,001	500,000	3,992,602
1	505,001	510,000	508,000
1	515,001	520,000	517,000
1	525,001	530,000	529,846
3	535,001	540,000	1,618,152

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3	545,001	550,000	1,645,478
1	555,001	560,000	559,000
1	575,001	580,000	579,301
1	590,001	595,000	592,602
2	595,001	600,000	1,200,000
1	610,001	615,000	614,400
1	645,001	650,000	647,694
1	695,001	700,000	697,000
1	760,001	765,000	761,430
1	805,001	810,000	810,000
1	855,001	860,000	860,000
1	875,001	880,000	877,420
1	960,001	965,000	962,603
1	995,001	1,000,000	1,000,000
2	1,000,001	1,005,000	2,004,815
1	1,115,001	1,120,000	1,120,000
1	1,145,001	1,150,000	1,149,652
1	1,195,001	1,200,000	1,200,000
1	1,225,001	1,230,000	1,228,835
1	1,270,001	1,275,000	1,275,000
1	1,295,001	1,300,000	1,300,000
1	1,310,001	1,315,000	1,311,657
1	1,320,001	1,325,000	1,322,500
2	1,395,001	1,400,000	2,800,000
1	1,430,001	1,435,000	1,434,598
1	1,565,001	1,570,000	1,566,500
1	1,570,001	1,575,000	1,574,551
1	1,590,001	1,595,000	1,594,438
1	1,610,001	1,615,000	1,611,000
1	1,725,001	1,730,000	1,730,000
1	1,775,001	1,780,000	1,778,000
1	1,915,001	1,920,000	1,919,041
1	1,960,001	1,965,000	1,962,000
1	2,355,001	2,360,000	2,358,315
1	2,400,001	2,405,000	2,403,000
1	2,535,001	2,540,000	2,537,201
1	2,990,001	2,995,000	2,991,614
1	3,045,001	3,050,000	3,046,317
1	3,790,001	3,795,000	3,792,159
1	4,295,001	4,300,000	4,300,000
1	4,450,001	4,455,000	4,451,000
1	4,545,001	4,550,000	4,550,000
1	5,115,001	5,120,000	5,116,001
1	5,445,001	5,450,000	5,446,545
1	6,990,001	6,995,000	6,991,140
1	7,510,001	7,515,000	7,511,024
1	36,340,001	36,345,000	36,340,286
1	40,245,001	40,250,000	40,250,000

6,408

281,406,088

Waves Corporation Limited (WAVES)

WAVES CORPORATION LIMITED Categories of Shareholding required under Code of Corporate Governance (CCG) As at 31 December 2025

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	117,220,911	41.6554%
2.3.2 Executives	0	0.000%
2.3.3 Associated Companies, undertakings and related parties. (Holding Company)	0	0%
2.3.4 NIT and ICP	52	0%
2.3.5 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0%
2.3.6 Insurance Companies	1,955	0.0007%
2.3.7 Modarabas and Mutual Funds	1,304,750	0.4637 %
2.3.8 Shareholders holding 10% or more	95,640,286	33.9866%
2.3.9 General Public		
a. Local	151,957,286	52.0669 %
b. Foreign	0	0 %
2.3.10 Others (to be specified)		
- Joint Stock Companies	15,004,979	5.3321%
- Others Companies	2,713,327	0.9642%
*		
Shareholders holding more than 5% of the capital	Shares	%age
1 Mr. Haroon Ahmad Khan	95,640,286	33.9866 %
2 Mrs. Nighat Haroon Khan	17,332,411	6.1592 %

Waves Corporation Limited (WAVES)

WAVES CORPORATION LIMITED Categories of Shareholding required under Code of Corporate Governance (CCG) As at 31 December 2025

S. No.	NAME	Shares	% AGE
A	Directors, CEO, their Spouse and Minor Children		
1	Mr. Haroon Ahmad Khan	95,640,286	33.9866
2	Mr. Moazzam Ahmad Khan	1,825	0.0006
3	Mrs. Nighat Haroon Khan	17,332,411	6.1592
4	Mr. Hamza Ahmad Khan	4,244,134	1.5082
5	Mr. Tajammal Hussain Bokharee	500	0.0002
6	Mr. Khalid Azeem	50	0.0000
7	Mr. Muhammad Zafar Hussain	1,705	0.0006
	Sub-Total	117,220,911	40.1648
B	Associated Companies	-	0.0000
C	Executives	-	0.0000
D	NIT & ICP	52	0.0000
E	Financial Institutions	-	0.0000
F	Insurance Companies	1,955	0.0007
G	Pension Funds	-	-
H	Investment Companies	-	0.0000
I	Modaraba and Mutual Funds	1,304,750	0.4637
J	Joint Stock Companies	15,004,979	5.3321
K	Other Companies	2,713,327	0.9642
L	General Public Local	145,160,114	51.5839
M	General Public Foreign	-	0.0000
	Sub-Total	164,185,177	58.3446
	Total	281,406,088	100
	Shareholders holding more than 5% of the capital		
1	Mr. Haroon Ahmad Khan	95,640,286	32.7703
2	Mrs. Nighat Haroon Khan	17,332,411	5.9388
	Total		

Waves Corporation Limited (WAVES)

WAVES CORPORATION LIMITED

All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their Spouses and minor children during FY 2025

No.	Name	Designation	Opening	Purchase / Gift In	Sale / Gift Out	Closing
1	Mr. Haroon Ahmad Khan	CEO	95,640,286	-	-	95,640,286
2	Mr. Moazzam Ahmad Khan	Director	1,825	-	-	1,825
3	Mrs. Nighat Haroon Khan	Director	17,332,411	-	-	17,332,411
4	Mr. Hamza Ahmad Khan	Director	4,244,134	-	-	4,244,134
5	Mr. Tajammal Hussain Bokharee	Director	500	-	-	500
6	Mr. Khalid Azeem	Director	50	-	-	50
7	Mr. Muhammad Zafar Hussain	Director	1,705	-	-	1,705
8	Mr. Ahmad Bilal Zulfiqar	CS	-	-	-	-

Waves Corporation Limited (WAVES)

8. INDEPENDENT AUDITOR REVIEW REPORT

Independent Auditor's Review Report

To the members of Waves Corporation Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Waves Corporation Limited (the Company) for the year ended December 31, 2025 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions, with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Reference Paragraph	Description
9	As required under clause 19 (1)(i) of the regulations, it is encouraged that by June 30, 2022; all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. However, out of 7 directors; only 4 have completed their Training from the approved institutions under Directors Training Program.

Lahore:

UDIN:

Rizwan & Company
Chartered Accountants
Engagement Partner: Imran Bashir

9. STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of the Company: Waves Corporation Limited
Year ended: 31 December 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven (7) as per the following:

- a. Male: Six (6)
- b. Female: One (1)

2. The composition of the Board is as follows:

Category	Number	Name
Independent Directors*	2	Mr. Muhammad Zafar Hussain Mr. Tajammal Hussain Bokharee
Non-Executive Directors (Excluding Female Director)	2	Mr. Moazzam Ahmad Khan Mr. Khalid Azeem
Executive Director	2	Mr. Haroon Ahmad Khan Mr. Hamza Ahmad Khan
Female director (Non-Executive Directors)	1	Mrs. Nighat Haroon Khan

*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company (7) adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contributions. Therefore, the fraction (2.33) for independent directors has not been rounded up.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that the complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Four out of seven directors have already attended the Directors' Training Program (DTP). The Company is in the process of arranging formal DTP training for remaining three directors. However, the Directors have been

Waves Corporation Limited (WAVES)

provided with periodic in-house training to apprise them with the changes in laws, rules and regulations along with their duties and responsibilities etc., to keep them updated.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed following committees comprising of members given below:

a) Audit Committee

Mr. Tajammal Hussain Bokharee	Member and Chairman
Mr. Moazzam Ahmad Khan	Member
Mrs. Nighat Haroon Khan	Member
Mr. Ahmad Bilal Zulfiqar	Secretary

b) HR and Remuneration Committee

Mr. Muhammad Zafar Hussain	Member and Chairman
Mr. Khalid Azeem	Member
Mr. Moazzam Ahmad Khan	Member
Mr. Haroon Ahmad Khan	Member
Mr. Ahmad Bilal Zulfiqar	Secretary

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committees are as follows:

Name of Committees	Frequency of meetings
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function that is suitably staffed with qualified and experienced personnel who are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouses, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the regulations have been complied with; and

Waves Corporation Limited (WAVES)

19. Explanations for non-compliance with the requirements other than of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 are as follows:

Sr. No.	Description	Regulation No.	Explanation of Non-Compliance
1	It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19(1)(iii)	Currently, four out of seven directors have already attended Directors' Training Program (DTP). However, the Directors have been provided with periodic in-house training to apprise them with the changes in laws, rules and regulations along with their duties and responsibilities etc., to keep them updated. The Company is in the process of arranging formal DTP training for the remaining director in this financial year.

On behalf of the Board of Directors



Muhammad Zafar Hussain
Chairman

Lahore

10. NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of the shareholders of Waves Corporation Limited (WAVES or the Company) will be held on Thursday, 30 April 2026, at 12:00 p.m. at the Registered Office, 9-Km Multan Road, Lahore (Waves Factory Premises), physically as well electronically, to transact the following businesses:

Ordinary Businesses

1. To confirm the minutes of the last Annual General Meeting held on 30 April 2025.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31 December 2025, together with the Directors' Report and Auditor's Reports thereon.

As required under section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR-enabled code:



<https://waves.net.pk/waves-home-appliances-limited/>

3. To appoint Statutory Auditors of the Company for the year ending 31 December 2026 and to fix their remuneration. The Board and Audit Committee have recommended the name of M/s Rizwan and Company, Chartered Accountants, Lahore, being the retiring auditors, for re-appointment as Auditors of the Company.

Special Businesses

To consider and if deemed fit pass the following special resolutions with or without modifications:

4. **To Ratify/approve the Related Party Transactions during the Financial Year ended 31 December 2025.**

“Resolved that the transactions carried out by the Company with Waves Home Appliances Limited, Waves Marketplace Limited, Waves Builders and Developers (Private) Limited and Employees' Pension/Gratuity/Provident Fund (as the case may be) as the case may be, during the financial year 31 December 2025 as given in the related party note of the Annual Audited Financial Statements of the Company for the year ended 31 December 2025, be and hereby are ratified and approved.”

5. **To authorize the Board to approve Related Party Transactions during the Financial Year ended 31 December 2026**

“Resolved that the Board of Directors of the Company is authorized to approve all related party transactions to be carried out on a case-by-case basis during the financial year 31 December 2026. These transactions shall be deemed to be approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.”

Waves Corporation Limited (WAVES)

6. To consider and if deemed fit pass the following special resolutions with or without modifications:

Resolved that the consent and approval be and is hereby accorded to the Company to extend the tenure of receivable of PKR 2.54 Billion (including capitalized markup) from Waves Home Appliances Limited (WAVESAPP), a subsidiary of the Company, for a period of further 03 (three) year, starting from 27 May 2026, being the expiry date of the existing tenure.

Further resolved that the subject receivable of PKR 2.54 Billion will be subject to such return, which shall not be less than the average borrowing cost of the Company or KIBOR, whichever is higher. The Board of Directors of the Company is authorized to determine a mechanism for periodic settlement of receivable/return from WAVESAPP in a manner as it may deem appropriate (including settling through capitalization), taking into consideration negotiation/discussion with the Board of WAVESAPP.

Further resolved that in case any return on receivable is outstanding at the end of the extended/renewed tenure, then such outstanding return/markup shall be added in the above-referred principal amount of PKR 2.54 Billion as settlement of the return. For this purposes, approval is also granted to enhance the existing amount of outstanding receivable of PKR 2.54 Billion up to PKR 4.0 Billion which shall include the base principal and any such return/markup that may be capitalized from time to time during the extended period (being the maximum investment limit).

Resolved further that the Chief Executive Officer is authorized to undertake all necessary corporate and regulatory formalities where required, for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential in order as and when required including negotiating mechanism of settlement of the receivable/return, signing of necessary agreement/documents or any other formalities that may be required subject to approval of the Board where required. The Chief Executive Officer is also authorized to appoint any person of the Company as his/her attorney for any matter that he may deems appropriate.

By the order of the Board

-s/d-
Ahmad Bilal Zulfiqar
Company Secretary

08 April 2026
Lahore

Statement of Material Facts under the Provisions of the Companies Act 2017 (the Act) Pertaining to said notice is being sent to the members/shareholders along with this Notice of AGM

Notes:

1. The share transfer Books of the Company will remain closed from 24 April 2026 to 30 April 2026 (both days inclusive). Transfers received in order at the office of our Share Registrar Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, at the close of business on 23 April 2026, will be treated in time for the purposes of entitlement to the transferees.
2. A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf. The instrument appointing Proxy must be deposited at the Head Office of the Company not less than 48 hours before the time of holding the meeting. Proxy form is available at the Company's website i.e., www.waves.net.pk. However, in case of electronic attendance, the relevant procedure given in the previous paragraph may be followed.

Waves Corporation Limited (WAVES)

3. CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities & Exchange Commission of Pakistan:

a. For attending the meeting:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting
- ii. In case of a corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b. For appointment proxies:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses, and CNIC Numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
 - v. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company
4. Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.

5. Procedure for voting on the Special Business Resolutions:

Concerning the special business to be transacted at the AGM, it is hereby notified that pursuant to the requirements of Companies (Postal Ballot) Regulations, 2018 (the Postal Ballot Regulations), the members will be allowed to exercise their right to vote in accordance with the conditions mentioned in the said regulations. Accordingly, the Company shall provide its members with the following options for voting:

Procedure for E-Voting:

- a. Details of the E-Voting facility will be shared through email with those members of the Company who have valid cell numbers/e-mail addresses available in the Register of Members of the Company by the end of business on 23 April 2026, by Corplink (Private) Limited, being the E-Voting service provider.
- b. The identity of the members intending to cast a vote through E-Voting shall be authenticated through an electronic signature or authentication for login.
- c. Members shall cast a vote online from 27 April 2026, starting at 9.00 a.m. till 29 April 2026, ending at 05:00 p.m. The Voting shall close on 29 April 2026 at 05:00 p.m. Once the vote on

Waves Corporation Limited (WAVES)

the resolution has been cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure of Voting through Ballot

- a. Members may alternatively opt for voting through a postal ballot. For the convenience of the members, the Ballot Paper is annexed to this notice, and the same is also available on the Company's website (www.waves.net.pk) for download
 - b. The members must ensure that the duly filled and signed Ballot Paper, along with a copy of the Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post at the Company's Registered Office i.e., 9-Km Multan Road, Lahore (Waves Factory Premises), or email at cs@waves.net.pk, at least two days before the General Meeting. A postal ballot received after this time shall not be considered for voting. The signature on the Ballot Paper should match the signatures on the CNIC.
6. Subject to the requirements of sections 143 and 144 of the Act, where a poll is demanded in the general meeting, the Company shall follow the procedure as laid down in the Companies (Postal Ballot) Regulation, 2018.
 7. The shareholders of the Company interested to participate in the general meeting through video link are requested to send their particulars (as given below) along with a valid copy of their CNIC (both sides)/passport, attested copy of the board resolution/power of attorney (in case of corporate shareholders) through email at cs@waves.net.pk (or through post/courier) with the subject similar to "Registration for AGM April 2026 of WAVES" at least 48 hours before the holding of the general meeting. The original signed documents are required to be sent to the Company separately through courier or post, for record purposes.

Name of Shareholder	CNIC No.	Folio No.	Cell/WhatsApp No.	Email Address
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** Where applicable, please also give the above particulars of the proxy-holder or nominee of the shareholder*

The video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received well within time. This notice of video link shall also cover providing video link facility to the members holding 10% or more shareholding (in aggregate) in the Company, residing at a geographical location.

8. Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 07 (seven) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill in the following and submit to the Head Office address of the Company at least 07 (seven) days before the date of the general meeting.

<i>I/We _____ of _____, being member(s) of Waves Corporation Limited holder of _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____.</i>

9. The Company can transmit annual financial statements through email, for which shareholders may provide their relevant information to the Share Registrar or the Company Secretary by filling the

Waves Corporation Limited (WAVES)

Standard Request Form available on the Company's website. The shareholders can submit their request for minutes of the previous general meetings at the Registered Office of the Company.

10. The Annual Audited Financial Statements along with relevant Reports/Reviews, shall be available at the Company's website at www.waves.net.pk. These accounts are also available for inspection during office hours at the registered office of the Company.
11. Shareholders, who for any reason could not claim their dividends/shares, if any, are advised to contact our Share Registrar Office, i.e., Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore, to enquire about their unclaimed dividends/shares.
12. In compliance with the requirements of Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace his/her physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017. Members holding physical share certificates are requested to convert their shares from the physical form into book entry form as early as possible. It would facilitate the Members in many ways, including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares, and being readily available for sale and purchase in the open market at better rates.
13. The Company will electronically transmit the Annual Accounts 2026, including the proxy form, through email to Shareholders whose email addresses are available with the Company's Share Registrar based on the consent. In those cases, where email addresses are not available with the Company's Share Registrar, printed notices of AGM along with the weblink and QR-enabled code to download the said Annual Report have been dispatched. However, the Company will provide hard copies of the Annual Report to any member upon demand, at the member's registered address, free of cost, within one week of receiving such a request.
14. The provision of gifts/ incentives in any form to shareholders at or in connection with general meetings is strictly prohibited under Section 185 of the Companies Act 2017.
15. For any query/clarification/information, the shareholders may contact the Company at email cs@waves.net.pk and/or the Share Registrar of the Company at email akbar@corplink.com.pk.

Waves Corporation Limited (WAVES)

Statement of Material Facts in respect of the Special Businesses

Agenda Item No. 4 – To Ratify and Approve the Related Party Transactions during the Financial Year ended 31 December 2025

The Company has undertaken related party transactions with the following entities, which include associated companies/undertakings as the case may be.

- a. Waves Home Appliances Limited (WAVESAPP),
- b. Waves Marketplace Limited (WMPL),
- c. Waves Builders & Developers (Private) Limited (WBDL),
- d. Employee's Provident Fund / Employees' Pension Fund / Employees' Gratuity Fund

All the transactions with related parties during the financial year are entered into by the Company in the ordinary course of business and at arm's length basis, under the policy of the Company for related party transactions. All transactions entered into with related parties require the approval and recommendation of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions are placed before the Board of Directors for approval.

All transactions with the related parties are disclosed in the relevant note of the audited financial statements for the year ended 31 December 2025. The transactions with WAVES may include transactions that arise out of the implementation process of the Scheme and result in inter-company balances appearing in the financial statements, till such time the implementation process pursuant to the Scheme is fully complete. The nature of these relationships is also disclosed in the relevant note.

Agenda Item No. 5 – To authorize the Board to approve Related Party Transactions during the Financial Year ended 31 December 2026

The Company shall be conducting transactions with the related parties during the year ending 31 December 2026 in the ordinary course of business and at arm's length basis under the policy of the Company for related party transactions. All transactions entered into with related parties require the approval of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions shall be placed before the Board of Directors for approval.

The transactions with WAVES may include transactions that arise out of the implementation process of the Scheme and result in inter-company balances appearing in the financial statements, till such time the implementation process pursuant to the Scheme is fully complete.

In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties from time to time on a case-by-case basis for the year ending 31 December 2025, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval. The Directors are interested in the resolutions only to the extent of their common directorship in such related parties.

Agenda Item No. 6 – Approval to further extend the tenure of receivable of PKR 2.54 billion from Waves Home Appliances Limited (WAVESAPP) a subsidiary of the Company, which was

Waves Corporation Limited (WAVES)

approved by way of Scheme of Arrangement for demerger of home appliances business from the Company with and into WAVESAPP

In the year 2022, the honorable Lahore High Court, Lahore, sanctioned the Scheme of Arrangement by and between WAVES and WAVESAPP, wherein home appliances business was carved out into WAVESAPP, while retaining the retail and real estate business. This was to provide several benefits including unique identities of individual companies, more focused business, customer base, supervision and controlling the business/direction of WAVESAPP, while the management of WAVESAPP can operate and manage the business of WAVESAPP on a regular day-to-day basis. Accordingly, shares were issued to WAVES by WAVESAPP pursuant to the Scheme, which resulted in becoming WAVESAPP as a subsidiary of the Company. In addition, as a Settlement Consideration an amount of PKR 2 billion was created as receivable from WAVESAPP by WAVES, which was to be settled within two (02) years of the Sanction of the Scheme (i.e., 27 May 2022). No profit/mark-up shall accrue on such outstanding amount if the said amounts is settled within two (02) years of the sanction of the Scheme. For further details please refer the paragraphs at the start of the Notes to the Annual Financial Statements of WAVESAPP and also Scheme which is also available on PSX's website and can be inspected along with other documents of the Company.

The carving out of Appliances business from the Company was initiated and informed to PSX/Shareholders, was with the strategic objectives to bring more focus on growth of Appliances business and to enter into a Strategic Alliances/JV with a global player in the Appliances Business. This was followed by the Scheme of Demerger as stated above. The shareholders in their meeting held on 09 April 2024 approved further extension of the receivables from WAVEAPP for a period of two years starting from 27 May 2024. It was also approved by the shareholders that any outstanding markup will be added in the outstanding principal receivable from WAVESAPP. Hence the original principal of PKR 2.0 Billion is added with PKR 0.54 Billion of markup thus making now the total principal of PKR 2.54 Billion as per the shareholders' approval. This period is now expiring on 27 May 2026 and it is proposed to the shareholders to grant their approval for extension of the receivables for the period of another 03 (three) years expiring on 27 May 2029. Though the sanctioned Scheme of Arrangement between WAVES and WAVESAPP provides power to the Board of Directors of both companies to determine the return/markup from the sanction of the Scheme on the outstanding amount, and does not require any shareholder's approval for extension of receivable. However, the Board, under the best corporate governance practices, felt prudent to take the matter to the shareholders of the Company u/s 199 of the Companies Act, 2017 for formal approval for extending the tenure of receivable, in order to support WAVESAPP.

The Board of Directors of the Company is also considering various options/mechanism and is in discussion with the Board of Directors of WAVESAPP to fully settle this outstanding receivable, since it is created out of a Scheme of Arrangement. Until such time this receivable is not converted into equity or an alternative mode is not finalized for settlement, this receivable shall carry markup which will not be less than the average borrowing cost of WAVES or KIBOR whichever is higher, subject to any intercompany receivable/payable adjustment. Any unsettled amount (if any) may be settled/recovered by way of addition in the total outstanding receivable. The Board of Directors of the Company is authorized to determine a mechanism for periodic settlement of receivable/return from WAVESAPP in a manner as it may deem appropriate (including settlement through capitalization of markup/return) and subject to negotiation/discussion with the Board of WAVESAPP. The current markup capitalized on the original principal of PKR 2.0 Billion is till 31 December 2025, however any subsequent markup/return from 01 January 2026 till the current expiry date of 27 May 2026 will also be added (if remains unsettled) in the principal amount as settlement.

The Board certifies that it has conducted that this extension/renewal of the receivable of PKR 2.54 billion is made after the due-diligence and financial health of WAVESAPP and it has the ability to settle/repay

Waves Corporation Limited (WAVES)

the loan. The projected business plan, including financial projections are available for inspection for the members.

The Board has authorized the Chief Executive Officer to undertake all necessary corporate and regulatory formalities which may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential in order as and when required including negotiating mechanism of settlement of the receivable/return, signing of necessary agreement/documents or any other formalities that may be required subject to approval of the Board where required. The Chief Executive Officer is also authorized to appoint any person of the Company as his/her attorney for any matter that he may deems appropriate.

Information in respect of the Associated Company to extend/renew the receivable of PKR 2.54 Billion for which approval from members/shareholders is sorted.

Disclosure for all types of Investment

1. The name of the Associated Company is Waves Home Appliances Limited (WAVESAPP), which is a subsidiary of the Company.
2. The basis of the relationship is the holding of more than 50% shareholding in WAVESAPP. The Company exercises control over WAVESAPP. The Company has appointed majority of its nominee directors on the Board of Directors of WAVESAPP.
3. The Earning Per share of WAVESAPP for the last three years is as under:

FY23:	PKR 0.58 per share
FY24:	PKR 0.57 per share,
FY25:	PKR 0.71 per share

The detailed financials are also available on the Company's website www.waves.net.pk

4. Breakup value per share as of 31 December 2025 is PKR ____ per share
5. Financial position as per the latest audited accounts as of 31 December 2025 is given hereunder:

Financial Position	PKR Mn	Financial Performance	PKR Mn
Share Capital	2,678	Gross Revenue	5,034,438
Equity	8,094,602	Net Revenue	3,666,719
Non-Current Liabilities	4,301,272	Gross Profit	1,006,254
Current Liabilities	7,162,553	Operating Profit	810,231
Non-Current Assets	11,697,684	Profit before Tax	56,922
Current Assets	7,860,743	Profit for the Year	189,204

6. The investment approval is not related to a new project, but is related to the renewal/extension of an already approved investment (receivable) which was created by way of sanction of the Scheme of Arrangement by the honorable Lahore High Court, Lahore, whose recovery was extended by the shareholders till 27 May 2026. Now the Board of Directors of WAVESAPP have requested the Company, to extend the period of recovery for 03 (three) years till 27 May 2029.

Additional Disclosure

Waves Corporation Limited (WAVES)

1. The maximum amount of investment is the renewal of receivable of PKR 2.54 Billion (adjusted for markup/return till 27 May 2026). The receivable of PKR 2.54 Billion will be subject to such return, which shall not be less than the average borrowing cost of the Company or KIBOR whichever is higher. The Board of Directors of the Company is authorized to determine a mechanism for periodic settlement of receivable/return from WAVESAPP in a manner as it may deem appropriate (including settling through capitalization), taking into consideration negotiation/discussion with the Board of WAVESAPP. However, in case any return on receivable is outstanding at the end of the extended/renewed tenure, then such outstanding return/markup shall be added in the above-referred principal amount of PKR 2.54 Billion as settlement of the return. For this purposes, approval is also granted to enhance the existing amount of outstanding receivable of PKR 2.54 Billion up to PKR 4.0 Billion which shall include the base principal and any such return/markup that may be capitalized from time to time during the extended period (being the maximum investment limit).
2. The purpose of this renewal/extension of receivable for a period of 03 years is to be provide support to the WAVESAPP in terms of its operations and achieve its long-term business objectives. The business of WAVESAPP was originally managed and operated by WAVES, which, after the operations of the Scheme, has been transferred to WAVESAPP, which is fully managed and controlled by WAVES. The receivable arising is on account of the implementation of the Scheme (as extended with the approval of the shareholders), whereas the return/profit is being charged. Around more than 50% of WAVESAPP's shareholding is held by WAVES. By providing support to WAVESAPP, it will benefit WAVES and its shareholders, as an improvement in the financial performance of WAVESAPP will translate into returns/dividends available for WAVES and its shareholders. Additionally, the profit/markup received during the tenure of investment will also add to the bottom line of WAVES and its shareholders.
3. As explained in the previous paragraphs, the receivable of PKR 2.54 Billion from WAVESAPP is arising pursuant to the Scheme of Arrangement by and between WAVES and WAVESAPP sanctioned by the honorable Lahore High Court, Lahore. There has been no direct cash funding made to WAVESAPP.
4. Upon approval granted by the shareholders, the Board of Directors of the Company and WAVESAPP will mutually decide upon the mechanism of settlement of receivable/return. However, the maximum amount of approval from the shareholders is required of PKR 4.0 Billion which includes PKR 1.5 Billion limit for any such amount of return/profit outstanding at the end of year, which then will be added up in the PKR 2.54 Billion. The salient features of the agreement will include items related to nature, purpose, period of the loan, rate of return, fees or commission, repayment schedule for principal and return, penalty clause in case of default or late repayments and security, if any. Information on all such items is already given in this notice of general meeting. Though there will be no requirement of the security as WAVESAPP is a subsidiary company and is managed/controlled by WAVES. A draft copy of the agreement containing the subject terms is placed for inspection for the members of the Company, which will be on the similar lines, unless modified by the Board of Directors of both entities subject to the .
5. The Company has only one class of members. The effect of resolutions on the interests of directors of the Company does not differ from the effect of interest of other members except stated herein and the Directors are interested in the resolution only to the extent of their common directorship in such related parties and that the directors of the Company and the related parties performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per the respective policies of the Company and the related parties, therefore may be regarded as interested to that extent in the resolutions.

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6. As explained in previous paragraphs, the investment has already been made pursuant to the sanctioned Scheme of Arrangement from the honorable Lahore High Court, Lahore. The financial performance of WAVESAPP is given in this notice, whereas the detailed accounts can also be reviewed on the PSX and the Company's website. It has key business relationships with well reputed companies such as Coca Cola, Pepsi, KNN, Gourmet etc. As the economic environment improves, it is envisaged that the financial and operating performance of WAVESAPP will improve. WAVESAPP is also in the process of completing its state-of-the-art new factor premises which will provide better operating capacity, large volumes, cost-optimization and profitability. WAVESAPP is also considering options to increase its capital base which is under consideration. Despite facing challenges WAVESAPP has shown strong survival against the economic headwinds and it is expected to improve its results provided adequate financial and operational support is available including support from its holding company, WAVES.
7. The members have been provided all the related information on a best judgment basis; however, even still if member intends to inquire or require any clarification on any item related to the special business, they may freely contact the Company Secretary at cs@waves.net.pk

Specific Disclosure

1. The category of this investment can be categorized as receivable from WAVESAPP, which may be named/considered as a loan, as markup/return is to be charged, being an associated company (a subsidiary of the Company)
2. The average borrowing cost of the Company is around 3-month Karachi Inter Bank Offered Rate (KIBOR) plus risk premium ranging from 0.7% to 1.5%. The Company will charge average borrowing cost to WAVESAPP on outstanding balances or KIBOR for the relevant period, which ever higher.
3. No collateral is required since WAVESAPP is a subsidiary company and under control of WAVES.
4. The receivable does not carry any conversion features. The Board is evaluating the options of settlement/recovery of all outstanding amounts through various means that include but not limited to conversion into equity/quasi-equity or any other legal settlement means. In case any particular option seems lucrative and requires a change in terms and conditions, then the matter shall be placed before the shareholders for consideration and approval. However, this option analysis does not have any impact on the current approval that is sought from the shareholders of the Company through this general meeting notice.
5. The principal amount of receivable of PKR 2.54 Billion (comprising of principal and capitalized markup/return) is unsecured with a tenure of next 03 years. Return/Profit shall be charged as per the approval of the shareholders. The principal shall become due after a period of 03 years; however, early payments may be made subject to the availability of the surplus cash flows. The return/profit shall be calculated by taking into consideration any outstanding payable due towards WAVESAPP. The resulting profit/return shall be settled/recovered accordingly.
The directors of the WAVES confirm to the members of the Company that they have carried out necessary due diligence for the proposed extension in recovery of receivables and based on the financial health (including financial projections), WAVESAPP has the ability to repay the loan as per the agreement.

Interest of Directors

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The Company has only one class of members. The effect of resolutions on the interests of Directors of the Company does not differ from the effect of interest of other members except stated herein and the Directors are interested in the resolution only to the extent of their common directorship in such related parties and that the directors of the Company and the related parties performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per the respective policies of the Company and the related parties, therefore may be regarded as interested to that extent in the resolutions.

Material Information

All material information in respect of the special business including MOA/AOA, financial statements of the Company and its subsidiary/wholly-owned subsidiaries including interim financial statements if any, related party transactions and record, register of investments, minutes of the previous general meetings, as the case may be, shareholding of Directors of the Company and related parties along with their interest (if any), Scheme of Arrangement sanctioned by honorable Lahore High Court, Lahore, statement of material facts and other necessary documents in respect of the notice of AGM are kept at the registered office of the Company and shall be available for inspection from the date of this notice till the conclusion of the AGM and also placed to the extent applicable on the Company's website www.waves.net.pk.

Proxy Form

The Proxy Form is attached to the Notice of Annual General Meeting.

Postal Ballot Form

The Postal Ballot Form is attached to the Notice of Annual General Meeting.

Waves Corporation Limited (WAVES)

**WAVES CORPORATION LIMITED
FORM OF PROXY**

The Company Secretary
Waves Corporation Limited
9 KM, Multan Road, Lahore

I/ We _____ of _____ being a member of **Waves Corporation Limited** hereby appoint _____ of _____ failing him _____ of _____ as my proxy in my absence to attend, speak, and vote for me on my behalf at the Annual General Meeting of the Company to be held on Thursday, 30 April 2026, at 12:00 p.m. and at any adjournment thereof.

As witness my / our hand this _____ day of _____.

**Rs. 50/-
Revenue
Stamp**

Witness No.1

Name : _____
Address : _____

CNIC No.: _____

Signature of Member(s)

Witness No. 2

Name : _____
Address : _____

CNIC No.: _____

(Name in Block letters)

Folio No. _____

Participant ID No. _____

No. of shares _____

Account No. in CDC _____

Important:

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in the Notice of Meeting.
2. A Member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
3. Members are requested:
 - (a) To affix the Revenue Stamp of Rs. 50/- at the place indicated above.
 - (b) To sign across the Revenue Stamp in the same style of signature as is registered with the Company.
 - (c) To write down their Folio Numbers.
4. This form of proxy, duly completed and signed across a Rs. 50/- revenue stamp, must be deposited/sent at the Company's Registered Office not less than 48 hours before the time for holding the meeting or may be sent through email as given in this notice, followed by courier/post to the Company's registered office.

Waves Corporation Limited (WAVES)

WAVES CORPORATION LIMITED BALLOT PAPER FOR VOTING THROUGH POST

For the poll at the Annual General Meeting of Waves Corporation Limited (WAVES or the Company) to be held on Thursday, 30 April 2026, at 12:00 p.m. at the Registered Office of the Company.

The designated email address for the Chairman at which the duly filled-in ballot paper can be sent is cs@waves.net.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held (shall be taken as of the book closure in the notice)	
CNIC, NICOP/Passport No. (for a foreigner) (Copy to be attached)	
Additional Information (In case of a representative of a body corporate, corporation, and the Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of a foreigner) of Authorized Signatory - (Copy to be attached)	

Special Business: Resolution 4

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing a tick (✓) mark in the relevant box below, or may write "Approve" or "Disapprove."

"Resolved that the transactions carried out by the Company with Waves Corporation Limited, Waves Marketplace Limited, Waves Builders and Developers (Private) Limited and Employees' Pension/Gratuity/Provident Fund (as the case may be), during the financial year 31 December 2025 as given in the related party note of the Annual Audited Financial Statements of the Company for the year ended 31 December 2025, be and hereby are ratified and approved."

No.	Resolution Information	I/We approve Resolution	I/We disapprove of the Resolution
1	Special Business: Resolution 4	For:	Against:

Special Business: Resolution 5

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing a tick (✓) mark in the relevant box below, or may write "Approve" or "Disapprove."

"Resolved further that the Board of Directors of the Company is authorized to approve all related party transactions to be carried out on a case-by-case basis during the financial year 31 December 2026. These transactions shall be deemed to be approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval."

No.	Resolution Information	I/We approve Resolution	I/We disapprove of the Resolution
1	Special Business: Resolution 5	For:	Against:

Special Business: Resolution 6

Waves Corporation Limited (WAVES)

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing a tick (✓) mark in the relevant box below, or may write “Approve” or “Disapprove.”

Resolved that the consent and approval be and is hereby accorded to the Company to extend the tenure of receivable of PKR 2.54 Billion (including capitalized markup) from Waves Home Appliances Limited (WAVESAPP), a subsidiary of the Company, for a period of further 03 (three) year, starting from 27 May 2026, being the expiry date of the existing tenure.

Further resolved that the subject receivable of PKR 2.54 Billion will be subject to such return, which shall not be less than the average borrowing cost of the Company or KIBOR, whichever is higher. The Board of Directors of the Company is authorized to determine a mechanism for periodic settlement of receivable/return from WAVESAPP in a manner as it may deem appropriate (including settling through capitalization), taking into consideration negotiation/discussion with the Board of WAVESAPP.

Further resolved that in case any return on receivable is outstanding at the end of the extended/renewed tenure, then such outstanding return/markup shall be added in the above-referred principal amount of PKR 2.54 Billion as settlement of the return. For this purposes, approval is also granted to enhance the existing amount of outstanding receivable of PKR 2.54 Billion up to PKR 4.0 Billion which shall include the base principal and any such return/markup that may be capitalized from time to time during the extended period (being the maximum investment limit).

Resolved further that the Chief Executive Officer is authorized to undertake all necessary corporate and regulatory formalities where required, for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential in order as and when required including negotiating mechanism of settlement of the receivable/return, signing of necessary agreement/documents or any other formalities that may be required subject to approval of the Board where required. The Chief Executive Officer is also authorized to appoint any person of the Company as his/her attorney for any matter that he may deems appropriate.

No.	Resolution Information	I/We approve Resolution	I/We disapprove of the Resolution
1	Special Business: Resolution 6	For:	Against:

Signature of Shareholder

Number of Shares Held

Place and Date

Notes:

1. A duly filled postal ballot should be sent to the Chairman of the Company, at 9-KM, Multan Road, Lahore (Waves Factory Office), along with a copy of CNIC, NICOP/Passport (for a foreigner). The form should reach 48 hours before the meeting. The Signature on the postal ballot should match with the signatures on the CNIC, NICOP/Passport.
2. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten, or expired identification copies shall be rejected.

11. ANNUAL FINANCIAL STATEMENTS

The annual audited Consolidated financial statements and the Standalone Financial Statements for the year ended 31 December 2025 are attached to this Report

11.1 Consolidated Financial Statements

**WAVES CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

DECEMBER 31, 2025

Independent Auditor's Report

To the members of Waves Corporation Limited

Report on the Audit of the consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of Waves Corporation Limited (the Parent Company) and its subsidiary companies ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the group's affairs as at December 31, 2025 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the key audit matters:

No. Key audit matters	How the matter was addressed in our audit
<p>1. Revenue Recognition</p> <p>Refer to note 4.9 to the financial statements.</p> <p>The Group revenue is principally generated from the manufacturing and assembly of domestic consumer appliances along with retailing and trading.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group which give rise to an inherent risk of existence and the accuracy of the revenue.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> - Assessed the design, implementation and operating effectiveness of the key internal controls over the Group's systems which govern the revenue recognition. - Inspected sales contracts with customers on a sample basis to understand and assess the terms and conditions therein which may affect the recognition of revenue; - Compared revenue transactions recorded during the current year on sample basis with invoices, sale contracts and goods delivery notes to assess whether the related revenue was recognized in accordance with the Group's revenue recognition accounting policies. - Compared on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes and other relevant documents to assess whether

the revenue had been recognized in the appropriate accounting period.

2. Borrowings and finance costs

Refer to note 9, 16 & 34 to the financial statements.

The Group has obtained range of financing facilities from different financial and non-financial institutions with varying terms and tenure.

This was considered to be a Key audit matter as these affects the Group's gearing, liquidity and solvency;

Further compliance with debts covenants is a key requirement of these financing arrangements.

Our key procedures included the following:

- We assessed the design and operating effectiveness of the Group's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current;
- We obtained confirmations of borrowings as at December 31, 2025 directly from lenders;
- We tested the calculations of markup recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with international financial reporting standards;
- We assessed the impact of restructuring of financings and its impact of deferment of mark up to statement profit or loss;
- We assessed whether loans maturity within twelve months were classified as current liabilities; and
- We assessed the adequacy of the Group's compliance with the loan covenants and the disclosures in the financial statements.

3. Analysis of impairment indicators and impairment testing of goodwill and other intangible assets

Refer to note 20 to the financial statements and the accounting policy in note 4.5 to the financial statements.

As at December 31, 2025, the Group's intangible assets aggregate Rupees 2,728.124 million.

In accordance with international accounting standard (IAS) 36 "Impairment of Assets", the Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired.

Where an impairment indicator is identified for any asset, an impairment test is performed by the Group based on estimate of the value-in-use of that asset.

The calculation of value-in-use required the management to make significant estimates and judgements.

We considered this matter as key audit matter due to the significant value of intangible assets and due to significance of judgements / estimates used by the management in determining their value in use.

Our audit procedures included the following:

- Assessed the methodology used by management to estimate value-in-use of each asset.
- Assessed the assumptions used in discounted cash flow projections for calculation of the value-in-use of assets, evaluating the reasonableness of key assumptions and discount rates based on our knowledge of the business and industry and by comparing the assumptions to historical results and published market and industry data.
- Performed sensitivity analysis in consideration of the potential impact of reasonably possible changes in assumptions and discount rates and considering managements process for approving these estimates.
- Reviewed the independent valuer's report regarding impairment testing conducted by the management. We ensured that the report was conducted by a qualified, independent expert with relevant expertise in the field. We evaluated the reasonableness of key assumptions used in the testing, including the discount rate, growth rate, terminal value, and attrition rate, by comparing them with relevant market data and industry benchmarks. We also conducted a sensitivity analysis to assess the impact of potential changes in these assumptions on the impairment results. Our procedures included verifying the accuracy of data inputs and discussing the assumptions with both management and the independent expert.

Emphasis of matter

As fully explained in note 1.3 and note 18.1.17 to these consolidated financial statements, subsequent to completion of the Scheme of Compromises, Arrangement and Reconstruction and transfer of home appliance business by the parent company to the subsidiary company, legal and procedural formalities including registration / updation of the name of the subsidiary company with the relevant departments / utility companies could not be completed till date. Due to certain impediments of such routing of the transactions; the impact of non-compliance, if any, cannot be ascertained at this point of time. Our opinion is not modified in respect of this matter.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Engagement partner on the audit resulting in this independent auditors' report is Mr. Imran Bashir.


Rizwan & Company
Chartered Accountants

Lahore: **22 APR 2026**
UDIN: AR202510140B2Wc1yYtR

Waves Corporation Limited and its subsidiaries
Consolidated statement of financial position
As at December 31, 2025

	Note	2025 (Rupees in '000)	2024		Note	2025 (Rupees in '000)	2024
Equity and liabilities				Assets			
Share capital and reserves				Non-current assets			
Share capital	5	2,814,062	2,814,062	Property, plant and equipment	19	8,365,465	8,795,588
Capital reserves	6	5,030,661	5,030,661	Intangible assets	20	2,728,124	2,763,518
Loan from directors	7	401,473	430,084	Investment property	21	4,515,557	3,585,432
Revaluation surplus	8	336,340	463,028	Long term trade receivables	25	1,056	1,150
Unappropriated profit		1,623,325	1,328,316	Long term deposits	22	28,598	30,402
Equity attributable to owners of the parent company		10,205,861	10,066,151	Employee retirement benefits	11	16,092	16,092
Non-controlling interest		3,434,078	2,966,718			15,654,892	15,192,182
		13,639,939	13,032,869				
Non-current liabilities				Current assets			
Long term financings	9	5,653,434	5,596,668	Inventories	23	2,503,786	2,494,012
Lease liabilities	10	2,424	13,341	Stores, spares and loose tools	24	19,590	21,306
Employee retirement benefits	11	20,176	20,720	Trade debts	25	6,003,064	5,607,690
Deferred taxation	12	186,926	244,974	Advances, deposits, prepayments and other receivable	26	679,608	708,843
Deferred income	13	3,838	4,070	Short term investment	27	3,000	3,000
		5,866,798	5,879,773	Advance income tax		109,384	251,871
				Cash and bank balances	28	73,304	50,330
Current liabilities						9,391,736	9,137,052
Trade and other payables	14	3,255,887	3,561,088				
Accrued markup	15	405,024	295,173				
Short term borrowings	16	800,449	1,115,895				
Current portion of long term liabilities	17	1,077,354	443,257				
Unclaimed dividend		1,179	1,179				
		5,539,892	5,416,592				
		25,046,628	24,329,234			25,046,628	24,329,234
Contingencies and commitments	18						

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


Chief Executive


Director


Chief Financial Officer

Waves Corporation Limited and its subsidiaries
Consolidated Statement of profit or loss
For the year ended December 31, 2025

	Note	2025 (Rupees in '000)	2024
Revenue - net of sales returns		6,368,133	5,072,833
Less: Sales tax and trade discounts		(1,588,802)	(1,128,076)
Revenue - net	29	4,779,331	3,944,757
Cost of sales	30	(3,435,028)	(2,725,462)
Gross profit		1,344,303	1,219,295
Marketing, selling and distribution costs	32	(527,409)	(594,621)
Administrative expenses	33	(406,818)	(382,379)
Other operating expenses	34	(574,584)	(187,975)
Other income	31	1,358,768	1,737,414
Operating profit		1,194,260	1,791,735
Finance costs	35	(636,281)	(700,139)
Profit before levies and taxation		557,979	1,091,595
Levies	36	(85,567)	(2,196)
Profit before taxation		472,412	1,089,399
Income tax expense	37	58,048	(2,004)
Profit after taxation		530,460	1,087,395
Attributable to:			
Owners of the Group		436,596	1,046,408
Non-controlling interest		93,864	40,986
		530,460	1,087,394
Rupees			
Earnings per share - basic and diluted	39	1.89	3.86

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

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Chief Executive


Director


Chief Financial Officer

Waves Corporation Limited and its subsidiaries
 Consolidated statement of comprehensive income
 For the year ended December 31, 2025

	Note	2025 (Rupees in '000)	2024
Profit after taxation		530,460	1,087,395
Other comprehensive income			
Items that will never be reclassified to profit or loss account:			
- Surplus on revaluation of property, plant and equipment - net of tax		-	-
- Actuarial gain on employee retirement benefits	11.6	2,474	634
		2,474	634
Items that may be reclassified to profit and loss account		-	-
Total comprehensive income for the year		532,934	1,088,029
Attributable to:			
Owners of the Group		437,843	1,046,757
Non-controlling interests		95,091	41,271
		532,934	1,088,028

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


 Chief Executive


 Director


 Chief Financial Officer

Waves Corporation Limited and its subsidiaries
Consolidated statement of changes in equity
For the year ended December 31, 2025

Share capital	Attributable to owners of the parent company				Sub-total	Non-controlling interest	Total	
	Capital reserves			Revenue reserve				
	Capital reserves (Note 6)	Loan from directors	Revaluation surplus	Unappropriated profit				
(Rupees in '000)								
Balance as at January 01, 2024	2,814,062	5,030,661	229,017	550,280	1,002,556	9,626,576	1,593,540	11,220,116
Profit for the year	-	-	-	-	1,046,408	1,046,408	40,986	1,087,394
Other comprehensive income	-	-	-	-	349	349	285	634
Total comprehensive income for the year	-	-	-	-	1,046,757	1,046,757	41,271	1,088,028
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(25,804)	25,804	-	-	-
Realisation of surplus on disposal	-	-	-	(61,448)	61,448	-	-	-
Increase in non-controlling interest on dilution of investments	-	-	-	-	-	-	1,331,907	1,331,907
<i>Transactions with owners of the Company</i>								
Loss on sale of divestment of subsidiary	-	-	-	-	(808,249)	(808,249)	-	(808,249)
Loan obtained	-	-	201,067	-	-	201,067	-	201,067
	-	-	201,067	-	(808,249)	(607,182)	-	(607,182)
Balance as at December 31, 2024	2,814,062	5,030,661	430,084	463,028	1,328,316	10,066,151	2,966,718	13,032,869
Profit for the year	-	-	-	-	436,596	436,596	93,864	530,460
Other comprehensive income	-	-	-	-	1,247	1,247	1,227	2,474
Total comprehensive income for the year	-	-	-	-	437,843	437,843	95,091	532,934
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(19,019)	19,019	-	-	-
Realisation of surplus on disposal	-	-	-	(107,669)	107,669	-	-	-
Increase in non-controlling interest on dilution of investments	-	-	-	-	-	-	372,269	372,269
<i>Transactions with owners of the Company</i>								
Loss on sale of divestment of subsidiary	-	-	-	-	(269,522)	(269,522)	-	(269,522)
Loan repayment	-	-	(28,611)	-	-	(28,611)	-	(28,611)
	-	-	(28,611)	-	(269,522)	(298,133)	-	(298,133)
Balance as at December 31, 2025	2,814,062	5,030,661	401,473	336,340	1,823,325	10,205,861	3,434,078	13,639,939

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


Chief Executive


Director


Chief Financial Officer

Waves Corporation Limited and its subsidiaries
 Consolidated statement of cash flows
 For the year ended December 31, 2025

	Note	2025 (Rupees in '000)	2024
Cash (used in) from operations	41	(106,960)	(370,142)
Income tax paid		(68,890)	(11,402)
Income tax refunds received		112,816	32,160
Finance costs paid		(83,708)	(265,509)
Employee retirement benefits paid	11.4	(18)	(1,959)
Net cash (used in) from operating activities		(146,760)	(616,852)
Cash flows from investing activities			
Additions in property, plant and equipment	19	(16,707)	(245,479)
Long term deposits	22	1,804	-
Additions in investment property		-	16,402
Long term trade receivables	25	94	-
Proceeds from disposal of property, plant and equipment		122,760	106,959
Proceeds from disposal of investment property	21	-	58,000
Net cash generated / (used in) investing activities		107,951	(64,118)
Cash flows from financing activities			
Long term financings	9	(219,000)	(49,828)
Lease liabilities paid	10.1	(9,383)	(18,560)
Proceeds against dilution of interest in subsidiary company		102,747	503,676
Short term borrowings	16	16,030	35,072
Loan from sponsoring directors	7	171,389	201,067
Net cash generated from financing activities		61,782	671,427
Net decrease in cash and cash equivalents		22,973	(9,543)
Cash and cash equivalents at beginning of the year		50,331	59,874
Cash and cash equivalents at end of the year	28	73,304	50,331

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

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 Chief Executive


 Director


 Chief Financial Officer

1 Legal status and nature of business

1.1 Waves Corporation Limited (formerly, Waves Singer Pakistan Limited) ("the Parent Company") was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public Company limited by shares and is quoted on the Pakistan Stock Exchange. The principal line of business includes managing its investment in subsidiaries which are principally engaged in manufacturing and assembly of domestic consumer appliances along with retailing and trading the same and real estate development. The registered office of the Parent Company is located at 9-K.M, Hanjarwal, Multan Road, Lahore.

Geographical locations of the manufacturing facilities and other outlets of the Group are located at:

- 9-K.M, Hanjarwal, Multan Road, Lahore.
- Muaza Mustafabad, 41 KM Ferozepur Road, Off 2-KM Rohi Naia Road, Tehsil & District, Kasur
- Waves Marketplace Limited has various retail outlets in various parts of Pakistan.

1.2 The "Group" consists of:

Parent Company

Waves Corporation Limited

Wholly owned Subsidiaries

Waves Marketplace Limited

Waves Builders and Developers (Private) Limited

Partially owned Subsidiary

Waves Home Appliances Limited

Waves Marketplace Limited

The Company was incorporated in Pakistan under the Companies Act, 2017 (then the Companies Ordinance, 1984) as a private limited company on September 09, 2016 as Electronic Marketing Company (Private) Limited. It's status was changed to public unlisted company, consequently its name was changed to Electronic Marketing Company Limited on March 30, 2022. Name of the Company was further changed to Waves Marketplace Limited on September 12, 2022. The Company is a wholly owned subsidiary company of Waves Corporation Limited (the Holding Company). The principal activity of the Company is to carry out distribution/wholesales/retail business of all kinds of electronic appliances, its components and accessories, etc. The registered office of the Company is located at 9-K.M, Hanjarwal, Multan Road, Lahore.

Waves Builders and Developers (Private) Limited

Waves Builders and Developers (Private) Limited (formerly Waves Marketing (Private) Limited) (the Company) is a private limited Company which was incorporated on April 10, 2017 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a wholly owned subsidiary of Waves Corporation Limited (the Holding Company). The registered office of the Company is located at 15/3 A Model Town, Lahore. The principal activity of the Company was the sale, distribution and marketing of consumer appliances being a trading concern; the principal line of business had been changed during the year 2021 to carry on business of any or all type of real estate. Accordingly, the name of the Company was changed from Waves Marketing (Private) Limited to Waves Builders and Developers (Private) Limited.

Waves Home Appliances Limited

Waves Home Appliances Limited (formerly, Samin Textiles Limited) ("the Company") is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited company. The registered office of the Company is situated at 8.7 KM Hanjarwal Multan Road Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company was trading, import and export of textile products and pursuant to approval of scheme of arrangement, the principal line of business has been amended to include manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products.

1.3 As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) as sanctioned by the

Honorable Lahore High Court, Lahore on May 27, 2022, the parent company transferred its manufacturing undertaking to its subsidiary company, i.e. Waves Home Appliances Limited with effect from effective date, i.e. September 01, 2021.

After transfer of manufacturing undertaking, certain bills, invoices and contracts relating to the subsidiary company's business activities continued in the name of the parent company owing to non-completion of legal and procedural formalities. Consequently, the parent company reported all such transactions in its sales tax returns on account of utilities, supplies, imports, local stores and spares to subsidiary company. The above stated transactions have been recorded to absorb the impact of sales tax inputs available in sales tax records of the parent company, that could have been lost in absence of any legitimate sales tax output available to the subsidiary company. The summary of the transactions has been given hereunder:

	2025	2024
	Rupees in "000"	
Sales	3,666,719	3,170,183
Purchases	2,191,203	1,495,959
Others	87,405	76,395

2 Going concern assumption

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements. In making this assessment, management has considered all relevant conditions and events affecting the Company's ability to continue as a going concern.

The subsidiary company (Waves Home Appliances Limited) has maintained net profitability and positive operating cash flows during the year. The Company has successfully restructured its existing long-term and short-term loan facilities, including extension of repayment tenors, revision of repayment schedules, and deferment of principal instalments to align debt servicing with the Company's projected cash generation.

The management continues to evaluate options to further strengthen the Company's capital structure, including potential equity injection and alternative financing arrangements. In addition, management is implementing measures to enhance liquidity through improved receivables management, renegotiation of trade payable terms, and optimization of operating expenditures. The Company is also in the process of formalizing extensions in respect of financing arrangements provided by the parent company.

Accordingly, these financial statements have been prepared on going concern basis and do not include any adjustment relating to the realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as going concern.

3 Basis of preparation

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Company's operations and therefore are not detailed in these unconsolidated financial statements.

3.3 Standards, interpretations and amendments to published approved accounting and reporting standards that are not yet effective

There are standards and certain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 01, 2025. These are not expected to have any material impact on the Company's financial reporting and, therefore, have not been presented in these financial statements except for:

3.4 New accounting standards and IFRS interpretations that are not yet effective:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

3.4.1 Standard or interpretations	Effective date (accounting periods beginning on or
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	January 1, 2026
- IFRS 17 - Insurance contracts	January 1, 2027
- IFRS 18 - Presentation and Disclosure in Financial Statements	January 1, 2027
- IFRS S1 - General requirements for disclosure of sustainability-related financial information and IFRS S2 - Climate-related disclosures	January 1, 2027
- IFRS 19 - Subsidiaries without Public Accountability Disclosures	January 1, 2027

3.5 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at their fair values and obligations for staff retirement benefits which are carried at present values of defined benefit obligation net of fair value of plan assets determined through actuarial valuation.

3.6 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency.

3.7 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

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	Note
- Estimate of useful life of property, plant and equipment	4.2
- Measurement and recognition of investment property	4.3
- Employee retirement benefits	4.4
- Estimate of useful life of intangible assets	4.5
- Estimate of recoverable amount of goodwill	4.5
- Provisions and contingencies	4.8
- Provision for taxation	4.11
- Estimate of fair value of financial liabilities at initial recognition	4.14.7
- Impairment of financial and non-financial assets	4.15
- Expected credit loss allowance	4.15
- Provision for warranty obligation	4.20
- Right of use assets and corresponding lease liabilities	4.21

3.8 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4 Basis of consolidation

These consolidated financial statements include the financial statements of Waves Corporation Limited and its subsidiary companies, Waves Marketplace Limited 100% owned (2024: 100% owned), Waves Builders (Private) Limited 100% owned (2024: 100% owned), Waves Home Appliances Limited, 50.39% owned (2024: 55.08%).

4.1 Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognized from the date the control ceases. These consolidated financial statements include Waves Corporation Limited, and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the subsidiaries).

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

4.1.1 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.1.2 Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is premeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This means that amounts previously recognized in comprehensive income are reclassified to profit or loss.

4.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for the land which is stated at revalued amount less impairment loss, if any, and buildings and plant and machinery which are stated at the revalued amounts less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of an asset. As explained in note 3, as a result of scheme of arrangement, the property, plant and equipment other than freehold land has been transferred to Waves Home Appliances Limited.

Land, buildings and plant and machinery are revalued by professionally qualified valuer with sufficient regularity to ensure that the net carrying amount does not differ materially from the fair value (market value). In case of revalued assets, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated at the revalued amount of the asset.

Increase in the carrying amount arising on revaluation of property, plant and equipment is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation is charged to the statement of profit or loss applying the straight-line method whereby the depreciable amount of an asset is depreciated over its estimated useful life. Depreciation on additions is charged from the month in which the asset is available for use and up to the month of disposal.

The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. The Group's estimate of the residual value of its property, plant and equipment as at balance sheet date has not required any adjustment as its impact is considered insignificant.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. Normal repairs and maintenance are charged to the consolidated

statement of profit or loss as and when incurred. gains and losses on disposal of assets are taken to the statement of profit or loss.

Capital work in progress

It is stated at cost less impairment losses, if any. It includes expenditure incurred and advances made in respect of assets in the course of their construction and installation. These cost are transferred to relevant assets category as and when assets are available for intended use.

4.3 Investment property

Property, comprising land or a building or part thereof, held to earn rentals or for capital appreciation or both are classified as investment property. These are not held for use in the production or supply of goods or services or for administrative purposes. The Group's business model i.e. the Group's intentions regarding the use of property is the primary criterion for classification as an investment property.

Investment property is initially measured at cost (including the transaction costs). However when an owner occupied property carried at fair value becomes an investment property because its use has changed, the transfer to the investment property is at fair value on the date of transfer and any balance of surplus on the revaluation of the related assets, on the date of such a transfer continues to be maintained in the surplus account on revaluation of property, plant and equipment. Upon disposal, any surplus previously recorded in the revaluation surplus account is directly transferred to retained earnings and the transfer is not made through the statement of profit or loss. However any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the consolidated statement of profit or loss.

The transfer to investment property is made when, and only when, there is a change in use, evidenced by the end of owner occupation. In case of dual purpose properties, the same is classified as investment property, only if the portion could be sold or leased out separately under finance lease.

Subsequent to initial recognition, the Group measures the investment property at fair value at each reporting date and any subsequent change in fair value is recognized in the statement of profit or loss (i.e. in case where the owner occupied property carried at fair value becomes an investment property, the fair value gain to be recognized in the statement of profit or loss would be the difference between the fair value at the time of initial classification as investment property and fair value at the time of subsequent remeasurement). The revaluation of investment properties are carried out by independent professionally qualified valuers on the basis of active market price.

4.4 Employee retirement and other service benefits

4.4.1 Defined benefit plans

The Group operates a funded defined benefit pension scheme for the eligible executives and managers and an unfunded gratuity scheme for eligible employees other than field staff. Provisions / contributions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually under the Projected Unit Credit Method.

Amount recognized in statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of the plan assets, if any. All actuarial gains and losses are recognized in 'Other Comprehensive Income' as they occur. Past service cost resulting from the changes to defined benefit plan is immediately recognized in the statement of profit or loss. Current service cost together with net interest cost are also charged to the statement of profit or loss.

Calculation of gratuity and pension require assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

4.4.2 Defined contribution plan

The Group operates a recognised provident fund scheme covering all eligible employees. The Group and employees make equal monthly contributions to the fund.

4.4.3 Staff Compensated absences

The Group recognizes the liability for compensated absences in respect of employees in the period in which they are earned up to the reporting date on the basis of un-availed earned leaves balance at the end of the

4.5 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries or businesses and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired the difference is recognized directly in the profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

With finite useful life

Intangibles are stated at the cash price equivalent of the consideration given less accumulated amortization and impairment loss, if any. Intangibles with finite useful lives are amortized over the period of their useful lives. Rates for amortization are disclosed in Note 20 to these consolidated financial statements. Amortization is charged on a straight line basis over the estimated useful life and is included in the profit or loss.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, short term borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

4.7 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account balances are classified as current liabilities if payment is due within one year or less (or in the normal operating cycles of business if longer). If not, they are classified as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.8 Provisions

A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

The Group accounts for its warranty obligations based on historical trends when the underlying products or services are sold.

4.9 Revenue recognition

Revenue represents the fair value of consideration received or receivable for sale of goods, net of sales tax, sales returns and related discounts. Revenue is recognized when or as performance obligation is satisfied by transferring control of promised goods or services to a customer and control either transfers overtime or point in time.

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- a) Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when or as performance obligations are satisfied by transferring control of promised goods or services to a customer and control either transfers overtime or at a point in time and control transfers upon delivery of goods to the customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies. Scrap sales and miscellaneous receipts are recognized on realized amounts.
- b) Rental income from investment property is recognized as other income on a straight-line basis over the term of lease.
- c) Dividend income and entitlement of bonus shares are recognized when the right to receive is established.
- d) Earned carrying charges representing the difference between the cash sale price and hire purchase price are recognised in the statement of profit or loss.
- e) Income on investments and profit and loss sharing bank accounts are recognized on accrual basis using the effective interest rate method.
- f) All other income items are recognised on accrual basis.

4.10 Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Group on account of contractual delays in delivery of performance obligations and incentive on target achievements.

4.11 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity / surplus on revaluation of fixed assets or in other comprehensive income. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

Securities and Exchange Commission of Pakistan has designated the Company and subsidiaries Waves Home Appliances Limited, Waves Marketplace Limited, Waves Builder and Developers (Private) Limited, (Private) as a "Group" for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. The Company has opted for Group Taxation under section 59AA of the Income Tax Ordinance, 2001. The Company and subsidiaries Waves Builders and Developers (Private) Limited and Waves Marketplace Limited are part of the Group Taxation. Under Group Taxation, the Company has accounting for the related taxes under standalone taxpayer approach. Under this approach, current and deferred taxes are recognized as if the entity was taxable in its own right.

Current taxation

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred taxation

Deferred tax is accounted for using liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

4.12 Inventories

4.12.1 Stock in trade

Stocks are valued at the lower of cost and net realizable value.

Cost is determined as follows:

- Raw materials at weighted average purchase cost;
- Work in process and finished goods at weighted average cost of purchase, raw materials and applicable manufacturing expenses;

Cost of raw material, work in process and finished goods comprises of direct materials, labor and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Group companies review the carrying amount of stock in trade on a regular basis and as appropriate, it is written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and / or physical form of related inventory.

4.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in consolidated statement of profit or loss in the period in which they are incurred.

4.14 Financial instruments

4.14.1 Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4.14.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI), fair value through statement of profit or loss (FVTPL) and in case of an equity instrument it is classified as FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:



- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in consolidated statement of profit or loss. Any gain or loss on derecognition is recognized in consolidated statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances and other receivables.

4.14.3 *Debt Instrument - FVOCI*

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit or loss. However, the Group has no such instrument at the reporting date.

4.14.4 *Equity Instrument - FVOCI*

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and these investments are never reclassified to consolidated statement of profit or loss. However, the Group has no such instrument at the reporting date.

4.14.5 *Fair value through statement of profit or loss (FVTPL)*

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in consolidated statement of profit or loss. The Group has no such investments at the reporting date.

4.14.6 *Financial assets – Business model assessment*

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

4.14.7 *Financial liabilities*

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, while the interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

The Group's financial liabilities comprise trade and other payables, long and short term borrowings, accrued markup and dividend payable.

4.14.8 *Derecognition*

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in consolidated statement of profit or loss.

4.14.9 *Offsetting of financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated financial statements only when the Group has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.15 *Impairment*

Financial assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities, bank balances and other receivables for which credit risk (i.e. the risk of default

occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group reviews the recoverability of its trade debts, deposits, advances and other receivables to assess amount of loss allowance required on an annual basis. Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Non - Financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in consolidated statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue

to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

4.16 Foreign currency transactions and translation

Transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit or loss. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences are generally included in the consolidated statement of profit or loss.

4.17 Dividends and appropriations to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved. Transfer between reserves approved subsequent to the reporting date is considered as non-adjusting event and is recognized in the consolidated financial statements in the period in which such transfers are made.

4.18 Earnings per share

The Group presents basic and diluted earnings per share (the "EPS") data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.19 Deferred income

Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. Government grant includes any benefit earned on account of a government loan obtained at below-market rate of interest. The loan is recognised and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. Government grant that has been awarded for the purpose of giving immediate financial support to the Group is recognised in profit or loss of the period in which the entity qualifies to receive it.

Grant in aid

Grant in aid represents the amount received from the World Bank under a project to phase out the Ozone Depleting Substances (ODS) by acquiring asset (production facility) which manufactures such products which are free from such substances. This grant is classified as deferred income and is being amortized over the useful life of such asset.

4.20 Warranty obligations

The Group accounts for its warranty obligations based on historical trends when the underlying products or services are sold.

4.21 Leases

- At the inception of a contract, the Group assesses whether a contract is or contains lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

- The Group recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right of use asset is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability, if any. The right of use assets is depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or cost of the right of use asset reflects that the Group will exercise a purchase option.
- In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. Right of use asset is disclosed in the property, plant and equipment as referred to in Note 19 of the financial statements.
- The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group has used its incremental borrowing rate as the discount rate for leases where rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.
- The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.
- When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero. Refer note to these financial statements for disclosure of lease liability.

Short term leases and leases of low value assets

The Group has elected not to recognize right of use assets and liabilities for some leases of low value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

4.22 Non-current asset held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

4.23 Related party transaction and transfer pricing

Transactions and contracts with the related parties are based on the policy that all transactions between the Group and related parties are carried out at an arm's length.

4.24 Allocation of expenses

Certain expenses are allocated by the parent company to its subsidiaries in accordance to a basis approved by the Company and its subsidiaries.

4.25 Operating segments

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as

Transactions among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

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Waves Corporation Limited and its subsidiaries

		2025	2024	2025	2024
		(Number of shares)		(Rupees in '000)	
5	Share capital				
5.1	Authorized share capital	<u>300,000,000</u>	<u>300,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
5.1.1	The authorized share capital stands at Rupees 3,000 million, divided into 300,000,000 shares of Rupees 10 each, according to the Memorandum and Articles of Association of the parent company.				
		2025	2024	2025	2024
		(Number of shares)		(Rupees in '000)	
5.2	Issued, subscribed and paid-up capital				
	Fully paid-up ordinary shares of Rupees 10 each				
	Issued for cash	105,263,597	105,263,597	1,052,637	1,052,637
	Issued for consideration other than cash	703,733	703,733	7,037	7,037
	Issued as fully paid bonus shares	78,988,759	78,988,759	789,888	789,888
	Issued under schemes of amalgamation	96,450,000	96,450,000	964,500	964,500
		<u>281,406,089</u>	<u>281,406,089</u>	<u>2,814,062</u>	<u>2,814,062</u>
5.3	Reconciliation of ordinary shares				
	Balance as at January 01	281,406,086	281,406,086	2,814,062	2,814,062
	Shares issued during the year	-	-	-	-
	Balance as at December 31	<u>281,406,086</u>	<u>281,406,086</u>	<u>2,814,062</u>	<u>2,814,062</u>
5.4	Ordinary shares of the parent company held by associated persons and undertaking at year end are as follows:				
		2025	2024	2025	2024
		(Percentage held)		(Number of shares)	
	Chief Executive Officer and his spouse				
	- Haroon Ahmad Khan (CEO)	33.99%	33.28%	95,640,286	93,640,286
	- Nighat Haroon Khan (Wife of CEO)	6.16%	6.16%	17,332,411	17,332,411
		<u>40.15%</u>	<u>39.44%</u>	<u>112,972,697</u>	<u>110,972,697</u>
5.5	Pursuant to Scheme of Arrangement, approved by Honorable Sindh High Court through its Order dated May 22, 2018, Singer Pakistan Limited was merged and combined with Cool Industries (Private) Limited and Link Wel (Private) Limited. The parent company has issued 96,450,000 shares to the shareholders of Cool Industries (Private) Limited and LinkWel (Private) Limited pursuant to the said scheme.				
6	Capital reserves		Note	2025	2024
				(Rupees in '000)	
	Share premium reserve		6.1	5,025,661	5,025,661
	Other capital reserve			5,000	5,000
				<u>5,030,661</u>	<u>5,030,661</u>
6.1	Share premium reserve				
	This represents excess of consideration received / market value of share acquired under scheme of arrangement over the face value of shares issued amounting to Rupees 4,581 million in result of 2017 scheme of arrangement and Rupees 445 million as a result of 2021 scheme of arrangement. This reserve can only be utilized by the parent company for the purpose specified in Section 81(2) of the Companies Act, 2017.				
6.2	Other capital reserve				
	This represents the value assigned to a shop acquired by the company in exchange for a shop on rent in 1993.				
7	Loan from directors		Note	2025	2024
				(Rupees in '000)	
	Loan from sponsoring directors		7.1	401,473	430,084

7.1	Note	2025	2024
		(Rupees in '000)	
Reconciliation of loan from sponsoring directors is as under:			
		430,084	229,017
		327,174	343,185
		<u>757,258</u>	<u>572,202</u>
		(155,785)	(142,118)
		<u>(200,000)</u>	-
		<u>401,473</u>	<u>430,084</u>

7.2 These include interest free loans from ex-members of the subsidiary company (novated to major shareholders) to meet financing requirements. These loan are designated interest free and are repayable at the discretion of the parent company. Further, in accordance with Technical Release - 32 Accounting Directors' Loan issued by the Institute of Chartered Accountants of Pakistan, the loan has been classified as part of equity.

8	Revaluation surplus	2025	2024
		(Rupees in '000)	
	Surplus on revaluation at beginning of the year	579,958	677,671
	Revaluation surplus recognized during the year	-	-
	Revaluation surplus realised on derecognition / adjustments	(107,669)	(61,369)
	Surplus on revaluation recognized during the year transfer to unappropriated profit in respect of:		
	- Incremental depreciation on revalued assets	(19,019)	(25,804)
	- Related deferred tax liability	(7,768)	(10,540)
		<u>(26,787)</u>	<u>(36,344)</u>
	Surplus on revaluation as at the end of the year	445,502	579,958
	Related deferred tax liabilities on revaluation at the beginning of the year	116,930	127,470
	- Effect of revaluation surplus recognised during the year	-	-
	- Incremental depreciation on revalued assets	(7,768)	(10,540)
		<u>(7,768)</u>	<u>(10,540)</u>
	Deferred tax at the end of the year	<u>109,162</u>	<u>116,930</u>
		<u>336,340</u>	<u>463,028</u>

8.1 This includes balance of revaluation surplus of land amounting to Rupees 57.15 million (2024: Rupees 171.25 million), building on freehold land amounting to Rupees 15.57 million (2024: Rupees 9.47 million) and plant and machinery of Rupees 263.817 million (2024: Rupees 282.945 million).

8.2 The Group has revalued its building on freehold land and plant and machinery during the financial year and latest revaluation was carried out as on December 31, 2023. The latest revaluation was conducted by M/S Unicorn International Surveyors. Assets were revalued on the basis of depreciated market values. The most significant input into this valuation approach is price per square foot for buildings, present operational condition and age of plant and machinery.

9	Note	2025	2024
		(Rupees in '000)	
Long term financings			
	Long term loans - Banking companies	4,397,183	4,234,207
	Long term loans - Non-banking companies	829,262	879,562
		<u>5,226,445</u>	<u>5,113,769</u>
	Deferred accrued markup	1,492,840	908,530
		<u>6,719,285</u>	<u>6,022,299</u>
	Less: Current maturity including overdue amounts	(1,065,851)	(425,631)
		<u>5,653,434</u>	<u>5,596,668</u>

	2025	2024
	(Rupees in '000)	
9.1 Reconciliation of long term financing is as under:		
Balance at beginning of the year	5,113,769	1,464,024
Obtained during the year	-	-
Transfer from short term borrowing upon restructuring	331,676	3,699,573
	<u>5,445,445</u>	<u>5,163,597</u>
Repayment during the year	(219,000)	(49,828)
Balance at the end of year	<u>5,226,445</u>	<u>5,113,769</u>
9.2 Deferred accrued mark up on long term financing		
Balance at the beginning of the year	908,530	-
Transfer upon restructuring of loans	637,614	1,664,323
Effect of present value discounting	(194,465)	(823,566)
Effect of unwinding of present value	141,161	67,773
Balance at the end of the year	<u>1,492,840</u>	<u>908,530</u>

no

9.3 Long term finances utilized under mark-up arrangements from banking companies are composed of.

Bank Name	Facility	2025		2024		Mark-up as per Agreement	Tenure and basis of principal repayment	Security
		(Rupees in '000)						
Parent Company								
National Bank of Pakistan Limited	Restructured Term Finance	1,500,000	1,500,000	1,500,000	1,500,000	3 Months KIBOR plus 1% per annum	<p>This facility was obtained under bridge finance facility. The bank on the request of the Company has restructured the facility for a period of five years with effect from July 01, 2024.</p> <p>As per restructuring arrangement, the remaining loan is payable in 14 unequal quarterly instalments commencing from December 31, 2025.</p> <p>Whereas markup accrued till reporting date and to be accrued in future period shall be paid in lump sum along with last instalment of loan amount.</p>	<p>This facility is secured by way of equitable mortgage of Rupees 2,000 million on project land covering 61 Kanals, 14.5 Marlas owned by in possession of the Company situated at 9-KM Multan Road, Hanjarwal, Lahore, first ranking hypothecation charge over all present and future current and fixed assets of the Company to the extent of Rupees 66.67 million each and personal guarantees of sponsoring directors of the Company.</p>
Sindh Bank Limited	Restructured Term Finance	58,596	180,096	180,096	180,096	3 Months Kibor plus 3% per annum.	<p>This facility was originally obtained under running finance arrangement to meet working capital requirements of the Company. During the year, the bank, on the request of the Company, has restructured the facility for a period of four years with effect from September 30, 2025.</p> <p>As per restructuring arrangement, the loan amount shall be paid in 12 quarterly instalments commencing from January 01, 2026.</p> <p>Whereas markup accrued up to September 30, 2025 would be paid in 4 quarterly instalments commencing January 01, 2026 after repayment of principal loan amount.</p>	<p>This facility is secured by way of first exclusive charge equitable mortgage charge of Rupees 300 million over immovable properties registered in the name of Company including Shop 1- Suleman Centre, Saddar Bazar, Karachi and the following properties held by Waves Home Appliances Limited, Shop 29 - Nawab Manzil, Shahrah e Liaquat Karachi, Shop 5, 6, 15 and 16, Al Amna Complex, Hyderabad Cantt, property bearing Khastra No. 202, Khewet no 144 & 219, Khatoori No. 634 & 635, measuring 08 Kanal 09 Marla situated at Mouza Rakh Serai Chenba, Tehsil Pattoki, District Kasur, property bearing C-403/1, Survey C-426 Marhaba Centre, opposite Muhammad Bin Qasim Park Sukkur Ward C, City Taluka, District Sukkar, personal guarantees of sponsoring directors of the Company and post dated cheques as mentioned in repayment schedule on due dates</p>

The

Bank Name	Facility	2025	2024	Mark-up as per Agreement	Tenure and basis of principal repayment	Security
		(Rupees in '000)				
Subsidiary Company						
Sindh Bank Limited	Term Finance	1,424,767	1,424,767	3 Months KIBOR plus 3% per annum, payable quarterly	The bank restructured loan amount along with running finance facility of Rupees 674,999 million and Finance Against Trust Receipts of Rupees 587,608 million into a Term Finance Facility, totalling Rupees 1,424,767 million. The restructured facility payable in 16 instalments (including overdue), commenced from January 2025, with the final instalment due in October 2029.	This facility is secured by way of joint pari passu charge over all present and future charge on stocks and receivables to the extent of Rupees 2,200 million, charge over all present and future fixed assets including plant, machinery and equipment of the Company to the extent of Rupees 1,116,378 million and ranking charge over all present and future movable fixed assets of the Company to the extent of Rupees 800,000 million. Common collaterals against the facility have been disclosed at note 9.6.
The Bank of Khyber	Term Finance	150,379	150,379	3 Month KIBOR plus 2.5% per annum, payable quarterly.	The bank has restructured facility into a Term Finance of Rupees 150,379 million payable in four years including grace period of 9 months. Balance is payable on quarterly basis in 13 equal instalments (including overdue) commenced from June 30, 2025 and ending on June 30, 2028.	This facility was secured by way of joint pari passu charge on present and future fixed assets (Land, Building, Plant & Machinery) of Rupees 232,08 million. Joint pari passu charge on present and future current assets not limited to stocks tools & spares, books, receivables of Rupees 533.00 million, personal guarantees of sponsoring directors of the Company and lien over one year Term Deposit Receipt in the name of Parent Company amounting to Rupees 3.00 million.
Dubai Islamic Bank Limited	Term Finance	75,000	75,000	3 Months KIBOR plus 2% per annum, payable quarterly.	Balance amount of loan was payable in three (including overdue) quarterly instalments starting from April 2025 and ending in October 2025. The Company is in process of restructuring of the facility subsequent to reporting date.	This facility is secured by way of first pari passu charge of Rupees 366,667 million on present and future fixed assets of the Company and cross corporate guarantees of group concerns of the Company, i.e. Waves Market (Private) Limited (Now Waves Builders (Private) Limited) and Electronics Marketing Company (Private) Limited (Now Waves Marketplace Limited).
Bank Alfalah Limited	Term Finance	280,666	297,666	13% per annum, payable quarterly.	During the year, the bank has restructured this facility on October 13, 2025 and balance amount of loan is payable in sixteen quarterly instalments by June 30, 2029.	This facility is secured by way of first joint pari passu charge over present and future fixed assets for Rupees 440,00 million including Land, Building and Machinery (Land located at Ferozepur Road, Lahore whereas machinery installed at Multan Road, Lahore) and ranking charge over all present and future movable fixed assets of the Company to the extent of Rupees 467,00 million.

Bank Name	Facility	2025	2024	Mark-up as per Agreement	Tenure and basis of principal repayment	Security
		(Rupees in '000)				
National Bank of Pakistan Limited	Term Finance	606,299	606,299	3 Month KIBOR plus 1.0% per annum, payable quarterly.	Balance payable on quarterly basis in 20 instalments (including overdue) commenced from December 01, 2024 and ending on September 30, 2029.	This facility is secured by way of exclusive charge over land of Waves Corporation Limited amounting to Rupees 809 million, first pari passu charge of Rupees 773.33 million on present and future stocks of the Company, all the present and the future current assets of the company to the extent of Rupees 66.67 million and charge over present and future fixed assets of the Company to the extent of Rupees 66.67 million including but not limited to plant and machinery.
Askari Bank Limited	Term Finance	150,409	-	3 Month KIBOR, payable quarterly.	During the year, the bank has restructured the loan amount along with Running Finance Facility of Rupees 29,929 million and Finance Against Trust Receipts of Rupees 126,680 million into a Term Finance Facility, totalling Rupees 156,609 million. The restructured facility is now payable in 16 instalments (including overdue), commencing from August 31, 2025, with the final instalment due on May 31, 2029.	This facility is secured by way of joint pari passu charge over movable and immovable assets of Waves Home Appliances Limited to the extent of Rupees 209,333 million including land measuring 34.8 acres and building thereupon located at 41 KM, Lahore-Kasur Road, 2 Km off Rohi Nala Road, Mustafabad, Kasur.
Al Baraka Bank Pakistan Limited	Term Finance	64,000	-	3 Month KIBOR, payable quarterly.	During the year, the bank has restructured the Finance Facility of Rupees 88 million. The restructured facility is now payable in 7 quarterly instalments (including overdue), commenced from June 25, 2025, with the final instalments due on December 24, 2026.	This facility is secured by way of Charge of Rupees 134.00 million on movable fixed assets including without limitation to plant and machinery both imported and local situated anywhere in Pakistan or in transit or in interest of the Company and Cross Corporate Guarantee of Waves Corporation Limited.
Habib Bank Limited	Term Finance	87,067	-	3 Month KIBOR, payable quarterly priced with 2% discount	During the year, the bank restructured outstanding running finance loan amount and accrued mark up of Rupees 87.10 million and Rupees 2,249 million respectively into a 5-years Term Loan facility. The restructured loan carries mark up at the rate of 2% discount to prevailing 3-month KIBOR. Mark-up accrued during the five-years period will be recovered at tail-end within 6-months from maturity date of Term Loan.	This facility is secured by way of joint pari passu charge of Rupees 116.13 Million over fixed assets of the Company, i.e., Waves Home Appliances Limited and personal guarantees of two directors namely Mr. Haroon Ahmed Kham & Mrs. Nighat Haroon.

4,397,183 4,234,207

Bank Name	Facility	2025	2024	Mark-up as per Agreement	Tenure and basis of principal repayment	Security
9.4 Long term finances utilized under mark-up arrangements from non banking companies are composed of:						
Subsidiary Company						
Pak Brunei Investment Company Limited	Term Finance	36,440	48,150	1 Month KIBOR plus 4.25% effective from August 30, 2025. Payable in thirty one monthly instalments and remaining will be paid on March 30, 2028.	During the year, the facility was restructured for a tenor of two years and seven months effective from August 30, 2025. Principal amount is payable in nine unequal monthly instalments (including overdue) by March 30, 2028.	This facility is secured by way of constructive equitable mortgage of Rupees 79,166 million, first pari passu hypothecation charge over all movable fixed assets to the extent of Rupees 110,420 million including plant and machinery of the Company, first pari passu mortgage charge over all immovable fixed assets, including land and building, joint pari passu ranking hypothecation charge and ranking mortgage charge over all moveable and immovable fixed assets including plant and machinery of the Company, post dated cheques of all instalments and personal guarantees of three sponsoring directors of the Company.
AWWAL Modaraba (A subsidiary of Pak Brunei Investment Company Limited)	Syndicated Musharaka Facility	200,322	204,512	3 Month KIBOR plus 2.5% per annum, with floor of 10% and cap of 30%.	The loan was restructured for a tenure of 56 months effective from December 2023. Balance loan amount is payable in 41 monthly unequal instalments (including overdue) ending in July 2028.	This facility is secured against title of musharakah assets, ranking charge on all present and future fixed assets of the Company including land and building with 25% margin over facility amount, ranking charge on all present and future current and moveable fixed assets of the Company with 25% margin over facility amount, post dated cheques of all instalments, corporate guarantee of parent company and personnel guarantees of two sponsoring directors of the Company.
Pak Oman Investment Company Limited	Term Finance	153,500	181,900	3 Months KIBOR plus 2.5% per annum, payable quarterly.	During the year, the facility was restructured by Pak Oman Investment Company Limited on May 01, 2025 for a tenor of 42 months effective from May 02, 2025. Balance payable in twenty eight unequal monthly instalments by April 25, 2028.	This facility is secured by way of joint pari passu charge of Rupees 375 million over fixed assets of the Company including land, building, plant and machinery and personal guarantees of two sponsoring directors of the Company.
Pak Libya Investment Company Limited	Term Finance	192,000	195,000	3 Months KIBOR plus 2.5% per annum, payable quarterly	During the year, the facility was restructured by Pak Libya Investment Company Limited on July 05, 2025. Balance amount of payable in fifteen unequal quarterly instalments by July 2028.	This facility is secured by way of first pari passu charge on all present and future fixed assets of the Company to the extent of Rupees 334 million, equitable mortgage over land and building to the extent of Rupees 334

20

Bank Name	Facility	2025	2024	Mark-up as per Agreement	Tenure and basis of principal repayment	Security	
		(Rupees in '000)					
Pak Libya Investment Company Limited	Term Finance	247,000	250,000	3 Months KIBOR plus 2.75% per annum, payable quarterly.	During the year, the loan was restructured with effect from May 25, 2025. Balance loan is payable in 19 equal quarterly instalments (including overdue instalment) starting from August 24, 2025 and ending on May 24, 2030.	million and personnel guarantee of main sponsoring director of the Company. This facility is secured by way of pan passu charge of Rupees 334 million on all present and future fixed assets of the Company including land and building, corporate guarantees of Waves Corporation Limited and Waves Builder and Developers Limited and personal guarantees of three sponsoring directors of the Company.	
		<u>829,262</u>		<u>879,562</u>			

9.5 The financing facility is secured against first exclusive charge of Rupees 300 million over immovable properties already registered in the name of parent company including 1) first exclusive equitable mortgage charge / token registered mortgage of Rupees 0.100 million over shop located at showrooms located at Zaib-un-nisa Street Sadar, Karachi, 2) first exclusive equitable mortgage charge / token registered mortgage of Rupees 0.100 million over shop located at Suleman Centre, Dawood Pota Road, Karachi, 3) first exclusive equitable mortgage charge / token registered mortgage of Rupees 0.100 million over shop located at Nawab Manzil, Shahrah-e-Liaqat Karachi, 4) equitable mortgage charge over shops located at Al Aynna Complex, Alamgir Road, Hyderabad and 5) equitable mortgage charge over property measuring 08 Kanal 09 Marla located at Mouza Rakh Serai, Tehsil Pattoki, Pattoki, personal guarantee of Mr. Haroon Ahmed Khan, post dated cheques of all the instalments as per due dates including an additional cheque of Rupees 150 million as balloon payment, post dated cheque equal to amount of Payment Against Documents outstanding Rupees 19.406 million, cross corporate guarantees of parent company M/S Waves Corporation Limited.

9.6 As per financing arrangements, the Company is required to comply with certain financial covenants and other conditions imposed by the providers of finance 

10	Lease liabilities	Note	2025	2024
			(Rupees in '000)	
	Vehicles under right of use - secured		13,228	29,804
	Less: Current maturity of lease liabilities	17	(10,804)	(16,463)
			<u>2,424</u>	<u>13,341</u>

10.1 Movement of lease liabilities is as follows:

Set out below are the carrying amounts of lease liabilities recognized and the movements during the year.

	Leased vehicles Rupees in "000"
December 31, 2025	
Balance at the beginning of the year	29,803
Additions during the year	2,745
Accretion of interest	1,385
Payments made during the year	(10,768)
Adjustment of security deposits in prior year	(9,937)
Effect on lease liabilities owing to remeasurement	-
Balance at the end of the year	<u>13,228</u>
Current portion shown under current liabilities	<u>(10,804)</u>
Long term lease liabilities at the end of the year	<u>2,424</u>
December 31, 2024	
Balance at the beginning of the year	48,252
Additions during the year	-
Effect of termination of lease	-
Accretion of interest	7,212
Payments made during the year	(25,771)
Effect on lease liabilities owing to remeasurement	111
Balance at the end of the year	<u>29,803</u>
Current portion shown under current liabilities	<u>(16,463)</u>
Long term lease liabilities at the end of the year	<u>13,340</u>

10.2 The future minimum lease payments and their present values to which the subsidiary companies are committed under various lease arrangements are as follows:

	2025			2024		
	Minimum lease payments	Future finance charges	Present value of minimum lease payments	Minimum lease payments	Future finance charges	Present value of minimum lease payments
Not later than one year	11,623	819	10,804	18,520	2,057	16,463
Later than one year and not later than five year	2,488	64	2,424	14,116	775	13,341
	<u>14,111</u>	<u>883</u>	<u>13,228</u>	<u>32,636</u>	<u>2,832</u>	<u>29,804</u>

10.3 The above represents leases entered into with certain financial institution for vehicles. Monthly payments of leases carry mark-up rates at KIBOR plus 2.5% to 3% per annum. KIBOR is one, three and six months average ask side. At the year-end the applicable rates range between 9.45% to 25.25% per annum (2024: 14.14% to 25.16% per annum). Title to the assets acquired under leasing arrangements are transferrable to the Company upon payment of entire lease obligations.

Handwritten mark

	Note	2025 (Rupees in '000)	2024
11 Employee retirement benefits			
Receivable from pension fund	11.1	16,092	16,092
11.1	Pension scheme was available to permanent full-time employees in the executive and manager cadre including full-time working directors but excluding persons working as temporary, trainees or apprentice employees. Minimum years of service for qualifying to pension was 15 years. Employees were entitled to pension on retirement at 57 years of age. Gratuity to the permanent employees was payable on normal retirement at the age of 57 years, natural death, etc. and is payable only on the minimum completion of 5 years of service with the Company. Both of these benefits pertained to old employees of former Singer Pakistan Limited (before the effective date of amalgamation) and this benefit has been freeze at the level that existed as at May 31, 2019. Given the fact that the Company had discontinued gratuity and pension fund schemes with effect from May 31, 2019; the liability payable against retirement benefits are not subject to actuarial evaluation. Accordingly, the management has not arranged actuarial valuation for the year 2025.		
	Note	2025 (Rupees in '000)	2024
11.2 The amounts recognized in the statement of financial position are as follows:			
Present value of defined benefit obligation			
- Receivable from pension fund	11.3	16,092	16,092
- Payable against gratuity fund	11.3	(20,176)	(20,720)
		Pension Fund	Gratuity
		2025	2024
		(Rupees in '000)	
11.3 Amounts recognised in statement of financial			
Present value of defined benefit obligation		(47,480)	(47,480)
Fair value of plan assets		63,572	63,572
Liability on the reporting date		16,092	16,092
		(20,388)	(20,913)
		211	193
		(20,177)	(20,720)
11.4 Movement in the liability recognized in the statement of financial position:			
Liability at beginning of the year		16,092	(16,092)
Charge to statement of profit or loss		-	-
Benefits paid during the year		-	-
Actuarial gain on defined benefit obligation		-	-
Liability at end of the year		16,092	(16,092)
		20,721	19,956
		2,959	3,616
		(18)	(1,959)
		(3,485)	(893)
		20,177	20,720
11.5 The amounts recognized in these statement of profit or loss account			
Current service cost		-	-
Past service cost		-	-
Interest cost net of expected return on plan assets		-	-
		1,354	1,829
		-	-
		1,605	1,788
		2,959	3,617
11.6 Included in other comprehensive income:			
Actuarial gain on obligation		-	-
Actuarial loss on plan assets		-	-
Total actuarial (gain) recognised in OCI		-	-
		(3,485)	(893)
		(3,485)	(893)

Net actuarial gain on funded gratuity amounts to Rupees Nil (2024: Rupees Nil has been taken to other comprehensive income).

	Pension Fund		Gratuity	
	2025	2024	2025	2024
	(Rupees in '000)			
11.7 Staff retirement benefit charge to profit or loss for the year has been allocated as				
Cost of sales	-	-	-	-
Marketing, selling and distribution costs	-	-	-	958
Administrative expenses	-	-	2,959	2,659
	-	-	2,959	3,617

- 11.8 The Group operated un-funded Gratuity and a Funded Pension Scheme for its eligible executives and managers (Formerly Singer Pakistan Limited) other than field staff, which was terminated by the Management on August 31, 2018. At that point in time, independent actuarial valuations were conducted and the liabilities determined against Gratuity and Pension Scheme, which were frozen.

With regard to staff gratuity, actuarial valuation determined that it is payable to 59 employees, whose total liability was equal to Rupees 29.825 million. Out of this, an amount of Rupees 14.037 million was related to employees of the Company, whereas Rupees 15.789 million were related to Waves Marketplace Limited. As of the date of reporting, total Gratuity payable in the Company stands as Rupees 7.604 million (for 07 employees). This balance of Rupees 7.604 million shall be paid upon separation of eligible employees from the Company. The management of the Company is of the view that yearly Actuarial Valuation is not required as the total gratuity amount is already determined and fixed and there will be no change, except for any discounting of liability factor.

With regard to Pension Scheme, actuarial valuation determined that total 29 employees are entitled to Pension Scheme with a maximum liability of Rupees 600,000 per month with a discounted present value of Rupees 69.34 million. Accordingly, the Company provided funds to Pension Scheme whose fair value of the assets amounted to Rupees 79.28 million, making it excess funded. Since the Pension Scheme was frozen, therefore the current monthly liability against the fully funded plan assets stands at Rupees 0.587 million as compared to Rupees 0.600 million determined in year 2018. This monthly liability will continue to reduce with the passage of time. The last Actuarial Valuation was conducted in previous year 2022 through which Pension obligations stood at Rupees 47.480 million, whereas plan assets were Rupees 63.572 million.

The management of the Group is of the view that yearly Actuarial Valuation is not required as the total monthly amount to be paid as Pension is already determined and the related Plan Assets are fully funded and are managed independently by the management of Pension Scheme. The only change can be through discounting of the liability which is linked to interest rates. There will be no incremental change in the per month payment and there will be no impact of any demographic or salary changes. The Group does not bear the financial risk associated with the Pension Plan including investment risk and longevity risk. However, the management of the Group will continue monitor the Pension Scheme periodically and any deficit or surplus amount shall be accounted for by the Group.

	2025	2024
	(Rupees in '000)	
12 Deferred tax liability		
Deferred tax liability	186,926	244,974

720

12.1 This comprises of following:

	Opening balance	Charge / (reversal) to P&L	Charge / (reversal) to OCI	Closing balance
(Rupees in '000)				
December 31, 2025				
Taxable / (Deductible) temporary differences				
Accelerated tax depreciation	389,226	59,465	-	448,691
Right of use asset	4,824	(2,682)	-	2,142
Revaluation surplus	116,930	(7,768)	-	109,162
Staff retirement benefits	(1,342)	(853)	1,011	(1,184)
Allowance for expected credit loss	(85,270)	(112,352)	-	(197,622)
Allowance for doubtful receivables	(40,452)	(4,665)	-	(45,117)
Provisions for slow moving items	(8,824)	-	-	(8,824)
Lease liabilities	(8,643)	4,807	-	(3,836)
Unused tax credits	(118,120)	3,983	-	(114,137)
Other provisions	(3,355)	1,006	-	(2,349)
	<u>244,974</u>	<u>(59,059)</u>	<u>1,011</u>	<u>186,926</u>
December 31, 2024				
Taxable / (Deductible) temporary differences				
Accelerated tax depreciation	370,823	18,403	-	389,226
Right of use asset	10,282	(5,458)	-	4,824
Revaluation surplus	127,470	(10,540)	-	116,930
Staff retirement benefits	(1,120)	(481)	259	(1,342)
Allowance for expected credit loss	(40,912)	(44,358)	-	(85,270)
Provisions against other receivables	(42,122)	1,670	-	(40,452)
Provisions for slow moving items	(8,824)	-	-	(8,824)
Lease liabilities	(13,993)	5,350	-	(8,643)
Unused tax credits	(114,439)	(3,681)	-	(118,120)
Other provisions	(2,349)	(1,006)	-	(3,355)
	<u>284,817</u>	<u>(40,102)</u>	<u>259</u>	<u>244,974</u>

12.2 Deferred tax has been recognised at rates enacted at the reporting date at which these are expected to be settled / realized.

12.3 Deferred tax asset on tax credits has been recorded based on financial projections indicating the absorption of deferred tax asset over future years against future expected taxable profits. The financial projections involve certain key assumptions such as sales price and composition, raw materials, labour prices etc. Any significant change in the key assumptions may have an effect on the absorption of the deferred tax asset. Nonetheless, the management of the Group is confident of the achievement of its targeted results.

	Note	2025 (Rupees in '000)	2024
13 Deferred Income			
Grant in aid	13.1	4,535	5,233
Less: Current portion		(697)	(1,163)
		<u>3,838</u>	<u>4,070</u>
13.1 Reconciliation of carrying amounts			
Cost			
Balance as at the beginning of the year		13,953	13,953
Addition during the year		-	-
Balance as at the end of the year		<u>13,953</u>	<u>13,953</u>
Amortization			
Balance as at the beginning of the year		(8,721)	(7,558)
Amortised during the year		(697)	(1,163)
Balance as at the end of the year		<u>(9,418)</u>	<u>(8,721)</u>
Written down value as at reporting date		<u>4,535</u>	<u>5,233</u>
Rate of amortization		<u>6.67%</u>	<u>6.67%</u>

- 13.2 Grant in aid represents the amount received from the World Bank under a project to phase out the Ozone Depleting Substances (ODS) by acquiring asset (production facility) which manufactures products that are free from such substances. This grant is classified as deferred income and is being amortised over the useful life of the asset. Amortisation for the year is based on 6.67% of the balance in accordance with the depreciation charged on plant and machinery for which the grant was received.

	Note	2025 (Rupees in '000)	2024
14 Trade and other payables			
Trade creditors		741,865	1,594,466
Accrued liabilities	14.1	153,769	145,587
Advances from customers		76,722	6,375
Payable against purchase of shares		-	22,100
Retention from employees	14.2	120,051	117,801
Advance from employees against vehicle		30,694	33,296
Security deposits	14.3	9,932	9,862
Provisions in respect of warranty obligations		18,124	14,693
Sales tax payable		1,513,914	1,094,939
Withholding income tax payable		332,656	311,446
Withholding sales tax payable		48,549	47,107
Payable to workers' profit participation fund	14.4	1,499	2,344
Payable to workers' welfare fund	14.5	20,766	11,367
Payable to the provident fund		114,478	88,401
Book overdraft		1,444	1,649
Other payable	14.6	71,424	59,656
		<u>3,255,887</u>	<u>3,561,088</u>

- 14.1 This includes remuneration payable to ex-directors and ex-executives amounting to Rupees 2.28 million (2024: Rupees 2.28 million).

- 14.2 This represents amount withheld by a subsidiary company and is being paid at the time of separation of the employees from the Company.

- 14.3 These amounts are not kept in a separate bank account as required by Section 217 of the Companies Act, 2017.

	Note	2025 (Rupees in '000)	2024
14.4 Payable to workers' profit participation fund			
Opening balance		2,344	8,582
Add: Charge for the year	34	1,233	1,226
Add: Markup on workers' profit participation fund	35	266	1,036
		<u>3,843</u>	<u>10,844</u>
Less: Payments made during the year		(2,344)	(8,500)
Closing balance		<u>1,499</u>	<u>2,344</u>
14.5 Payable to workers' welfare fund			
Opening balance		11,367	13,516
Add: Charge for the year	34	10,302	5,571
		<u>21,669</u>	<u>19,087</u>
Less: Payments made during the year		(903)	(7,720)
Closing balance		<u>20,766</u>	<u>11,367</u>

- 14.6 It includes provisions aggregating to Rupees 27.87 million (2024: Rupees 27.87 million) in respect of probable loss from pending litigation of the Company against Income Tax and Sales Tax Authorities. The above provisions have been made as per the management's best estimate against various demands raised by the authorities that are being contested by the Group at various forums as explained in Note 18.

	Note	2025 (Rupees in '000)	2024
15	Accrued markup		
	Accrued mark up on:		
	Long term loans from banking companies	38,592	41,427
	Long term loan from non-banking companies	93,365	42,100
	Short term borrowings from banking companies	89,671	51,277
	Short term loan from non-banking companies	106,932	9,203
	Short term islamic borrowings	-	78,478
	Loan from provident fund trust	76,464	72,688
		<u>405,024</u>	<u>295,173</u>
16	Short term borrowings		
	From banking companies - secured		
	Running finance under markup arrangement	16.3	-
	Finance against trust receipt	16.4	198,809
	Borrowings under Morabaha arrangement	16.5	196,940
	From Fintech companies		
	Running finance facilities	16.6	19,700
	From others - unsecured		
	Demand finance	16.7	89,000
	Loan from employees provident fund	16.8	296,000
		<u>800,449</u>	<u>1,115,895</u>
16.1	Particulars of borrowings		
	Interest / mark-up based borrowings	603,509	1,115,895
	Islamic mode of borrowings	196,940	-
		<u>800,449</u>	<u>1,115,895</u>

16.2 During the year, the Company requested and received approval from Al- Baraka Bank Limited and Habib Bank limited to restructure various loan owing to cash flow challenges faced by the Company. The Company has accounted for these restructurings in accordance with the provisions of International Accounting Standards 1 "Presentation of Financial Statements" and impact of the restructuring has been reflected in these financial statements. The Company believes that the new terms will provide sufficient financial flexibility to meet its obligations and continue its operations.

Subsequent to the reporting date, SilkBank Limited (Now United Bank Limited) have approved restructuring of the loans on the request of the Company. Accordingly, impact of such restructuring have not been incorporated in these financial statements in accordance with the provisions of International Accounting Standards 1 "Presentation of Financial Statements".

16.3 **Running finance under markup arrangement**

This represents utilized amount of short term running finance facilities under mark-up arrangements availed from Habib Bank Limited aggregating to Rupees Nil (2024: Rupees 141,975 million). These facilities are secured by way of JPP hypothecation charge over all current assets and fixed assets of the Company, cross corporate guarantees from the parent company, personal guarantees of sponsoring directors of the Company and carry mark-up ranging from 12.84% to 14.85% (2024: 16.36% to 25.49%) per annum, payable monthly and quarterly in arrears. During the year, the Company requested and received approval from the banks to restructure loan owing to cash flow challenges faced by the Company. The Company has accounted for these restructurings in accordance with the provisions of International Accounting Standards 1 "Presentation of Financial Statements" and impact of the restructuring has been reflected in these financial statements. Accordingly, the loan has been transferred / classified as part of long term financing in note 9.

16.4 **Finance against trust receipt**

This represents Finance Against Trust Receipt (FATR) available from commercial bank aggregating to Rupees 198,809 million (2024: Rupees 226,619 million). These facilities are secured against JPP

hypothecation charge over present and future current assets with 25% margin and carries mark-up rate ranging between 14.07% to 16.10%(2024: 23.14% to 24.49%) per annum with expiry by June 30, 2026. During the year; the FATR of various banks except for one bank have been restructured and accordingly the same has been classified as long term financing as disclosed in note 9.2.

16.5 Borrowings under Murabaha arrangement

This represents utilised amount of Musharaka borrowings availed from banking companies aggregating to Rupees 196.939 million (2024: Rupees 284.941 million). These facilities are secured against joint pari passu charge over all present and future current assets (stocks and receivables) of the Company for Rupees 267 million and joint pari passu charge over fixed assets (Plant and machinery) of Rupees 133.333 million and cross corporate guarantees of parent company M/s Waves Corporation Limited and carrying mark-up rates ranging from 12.84% to 14.85% (2024: 16.36% to 24.45%) per annum payable quarterly in arrears. Borrowing from one institution is overdue since May 31, 2023.

During the year, Al- Baraka Bank Pakistan Limited approved, on the request of the Company; restructuring of the loan and accordingly impact of restructuring has been incorporated in these financial statements in accordance with the provisions of International Accounting Standards 1 "Presentation of Financial Statements".

16.6 From Fintech companies

This represents utilized amount of short term running finance facilities under mark-up arrangements availed from fintech companies aggregating to Rupees 19.7 million (2024: Rupees 30 million). It carries mark-up ranging from 30% to 36% (2024: 30% to 36%) per annum, payable monthly and quarterly in arrears.

16.7 Demand finance

Waves Corporation Limited has obtained demand finance facility of Rupees 89 million from Dawood Equities Limited under Repo arrangement, secured against 12.5 million ordinary shares of Waves Home Appliances Limited owned by the Company. The loan remains outstanding as of reporting date, and the Company continues to monitor its obligations and collateral requirements under this arrangement. The facility carries markup rate of 16.00% per annum (2024: 22.50% to 27.00% per annum) and having expiry of three months.

16.8 Loan from employees provident fund

This represents unsecured loan obtained from employees provident fund aggregating to Rupees 296 million (2024: Rupees 288 million). The loan is repayable on demand and carries markup rate of 13.63% (2024: 17.63%) per annum.

16.9 As per the financing arrangements, the Group is required to comply with certain financial covenants and other conditions imposed by the providers of finance.

	Note	2025 (Rupees in '000)	2024
17	Current portion of long term liabilities		
	Long term loans from banking companies	9	958,720
	Long term loans from non-banking companies	9	107,130
	Lease liabilities	10	10,806
	Deferred income	13	697
			<u>1,077,354</u>
			<u>443,257</u>

18 Contingencies and commitments

18.1 Contingencies

Parent Company

18.1.1 The Company has filed a Constitutional petition before the Honorable Sindh High Court at Karachi, challenging the vires of Rule 58T of the Sales Tax Special Procedure Rules relating to 2% extra sales tax on certain home appliances. This is based on the view that the said vires are not applicable on the Company. The case is pending before the Honorable Sindh High Court. An interim order was received in favour of the Company. The Company is confident that no liability is expected to occur. Amount involved is Rupees 84.80 million as of December 31, 2020 against which no provision has been made as the parent company, based on

the opinion of legal advisor's advice, is confident of a favourable decision.

- 18.1.2** During the financial year 2014, the Company received a show cause notice from the Federal Board of Revenue (FBR) in respect of short payment of 2% extra sales tax under the Sales Tax Procedures Rules, 2007 as amended by SRO. 896(I)/2013 dated October 04, 2013 and deduction of input tax more than the limit defined under section 8 read with chapter IV of Sales Tax Rules, 2006. The tax authority in the said notice raised a demand of Rupees 19.91 million and Rupees 11.15 million respectively for the period from January 01, 2014 to September 30, 2014. The Company after consultation with its tax advisors has replied and submitted explanation with the tax authorities along with revised workings for the apportionment of input tax which in the case of the Company for the above period was Rupees 0.52 million. Since then, no further action has been initiated by the tax authorities.
- 18.1.3** The Company had earlier received a sales tax recovery order from the sales tax authorities amounting to Rupees 195.63 million, for the financial year ended December 31, 2010 against which the Company had filed an appeal with the Commissioner Inland Revenue - Appeals (CIR-A). CIR-A had deleted one item while the remaining matters were set aside. Moreover, the management, based on consultation with its tax advisor, is of the view that matter would be decided in favor of the Company. However, CIR has filed an appeal against Company on the matters of SRO 647/2007 regarding input tax adjustments against 90% output tax and payment of sales tax on instalment sales at the time of receipt of instalment instead at the time when instalment sales are actually being made for which no hearing has yet taken place. Amount involved is Rupees 171.71 million. However, based on advice of legal consultant, management is of the view that that no potential liability is expected to occur.
- 18.1.4** Income tax assessments of the Company have been finalized up to and including the tax year 2007. The Company had applied for Income tax refund for the tax years from 2006 to 2011. Income tax refund orders were earlier determined for the tax years 2009, 2010 and 2011. Income tax refund was released for the tax year 2009. However, the Additional Commissioner Inland Revenue (ACIR) amended the deemed assessed orders under section 122 (5A) of the Income Tax Ordinance, 2001 for the tax years from 2009 to 2012 and raised additional income tax demand of Rupees 19.98 million. However, the Company had filed an application for the rectification of orders after which the net tax additional demand was reduced to Rupees 2.02 million (after the adjustment of the refund of related years) under section 221 of the Income Tax Ordinance, 2001. Appeals have been filed to Commissioner Inland Revenue - Appeals (CIR-A) against these orders and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.
- 18.1.5** The Company has received appellate orders for the tax years from 2009 to 2012, dated June 29, 2015, where the CIR-A has set aside certain issues for reassessment, deleted certain items and maintained certain disallowances. The financial impact of the items set aside for reassessment and continued disallowances amount to Rupees 43.72 million. Appeal has been filed with Appellate Tribunal Inland Revenue (ATIR) against these issues. The Company based on the merits of matters is of the view that ultimate decisions are expected in its favor and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.
- 18.1.6** The Finance Act, 2017 introduced a tax under section 5A of the Income Tax ordinance, 2001 on every public Company other than a scheduled bank or Modaraba, that derives profit for the tax year and does not distribute at least 40% of the after tax profit within six months of the end of said tax year through cash or bonus issue. Under the earlier section tax was not mandatorily leviable in case the Company's reserves were not in excess of the paid up capital (which was the case with the Company as it had accumulated losses). Provision for the above referred tax amounting to Rupees 9.35 million has not been paid as the Company's management is of the view that the amendment was made after the closure of Company's financial year ended December 31, 2016 and for certain other legal reasons. The Company has filed a Constitutional petition before the Honorable Sindh High Court at Karachi challenging the vires of Section 5A of the Income Tax Ordinance, 2001 and a stay order has been granted against any coercive action against the Company under the newly inserted Section 5A. The Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.
- 18.1.7** The Deputy Commissioner Inland Revenue (DCIR), via order dated April 30, 2014, under Section 161(1) and Section 205(3) of the Income Tax Ordinance, 2001 for the tax year 2014 raised a tax demand of Rupees 0.83 million for non-deduction of advance income tax for the period from November 01, 2013 to April 30, 2014 under section 236(G) and 236(H) of the aforesaid Ordinance. Company filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) which was remanded back to DCIR. The Company filed an

appeal against the order of CIR-A in Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.

- 18.1.8** During the financial year 2014, the Company received a notice by Commissioner Inland Revenue - Zone I for selection of audit under section 214C for the tax year 2012. The Company filed an appeal against the said notice before Honorable Lahore High Court which was decided against the Company and audit proceedings were initiated. The Deputy Commissioner Inland Revenue issued an amended assessment order under section 122(1) and 122(5) through which certain additions were made and demand order was raised amounting to Rupees 48.10 million. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), who vide his Order No. 9 dated April 04, 2019 deleted certain additions. Being aggrieved with the order of CIR-A the Company filed an appeal before the Honorable Appellate Tribunal Inland Revenue, which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.
- 18.1.9** During the financial year 2014, the Assistant Commissioner Inland Revenue imposed penalty vide order dated April 27, 2014 under section 182(1) of the Income Tax Ordinance, 2001 amounting Rupees 0.91 million for the tax year 2013 for the late filing of income tax return under section 114 of the Income Tax Ordinance, 2001. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) against the above order. The CIR-A decided the matter against the Company vide order dated March 25, 2014. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.
- 18.1.10** During the financial year 2015, the Additional Commissioner Inland Revenue (ACIR), vide order dated April 30, 2015, under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2010, raised an amended demand of Rupees 7.85 million after disallowing certain expenses amounting to Rupees 29.15 million. The Company filed an appeal for the rectification of order before Commissioner Inland Revenue - Appeals (CIR-A) who vide its order dated December 30, 2015, remanded the case back to the ACIR and directed the recalculation and apportionment of expenses as per under section 67 read with rule 13 of Income Tax Rules 2002 which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.
- 18.1.11** During the financial year 2017, the Additional Commissioner Inland Revenue (ACIR) amended the deemed assessed return vide its order dated June 19, 2017 under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2011. The ACIR disallowed certain expenses amounting to Rupees 9.58 million and raised the additional income tax demand of Rupees 1.02 million. The Company filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A). The CIR-A vide order No. 19 dated September 21, 2020 decided the appeal partially in favor of the Company by deleting the additions amounting to Rupees 4.62 million under the head financial charges and confirmed the remaining addition. Furthermore, The Commissioner Inland Revenue - Appeals (CIR-A) directed the ACIR to verify the contention regarding refund adjustment of Rupees 1.02 million if still available to the Company for adjustment in the current year. Being aggrieved with of the CIR-A order, the Company preferred an appeal before the Honorable Appellate Tribunal Inland Revenue, Lahore, which is still pending for adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.
- 18.1.12** During the financial year 2012, the Deputy Commissioner Inland Revenue (DCIR) issued an order dated April 26, 2012 under Rule 2(3A) of the Sales Tax Special Procedures (Withholding) Rules, 2007, citing the company's non-deduction and non-payment of withholding sales tax on advertisement services for the tax period 2009-10, assessing a total amount of Rupees. 9.64 million (including withholding tax of Rupees 9.34 million and default surcharge). During adjudication, the company provided evidence that Rupees 6.31 million had already been deposited by service providers, but the remaining tax of Rupees 3.03 million could not be verified due to insufficient documentation. The company has been ordered to deposit the unverified amount along with applicable default surcharge and penalty under Section 11(2), 36(2), 34, and 33(5) of the Sales Tax Act, 1990. The Company being aggrieved, filed the appeal before Commissioner Inland Revenue - Appeals (CIR-A) who upheld the assessment order issued by DCIR. Subsequently, company appealed before the Appellate Tribunal of Inland Revenue which is pending adjudication and the Company is hopeful that, as per

advice of the legal counsel, the matter shall be decided in favor of the Company.

18.1.13 During the financial year 2018, the Company received a show cause notice issued by Deputy Commissioner Inland Revenue under section 161 for the tax year 2017 on non deduction of withholding tax amounting to Rupees 6.03 million on payments against purchase of plant and machinery, packing material and other miscellaneous payments. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) where the case was remanded back to the Department. Being aggrieved, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.

18.1.14 During the financial year 2018, the Taxation Officer, after conducting audit under Section 177 of the Income Tax Ordinance, 2001 (the Ordinance) for the tax year 2014, passed an amended assessment order under section 122 of the Ordinance raising tax demands of Rupees 25.29 million alleging that the Company suppressed its sales and adjusted inadmissible expenses. Being aggrieved, the Company has filed appeal before Commissioner Inland Revenue - Appeals (CIR-A). CIR-A vide order, deleted certain additions amounting to Rupees 80 million and the rest of the additions amounting to Rupees 26 million were confirmed.

Hence, there is no outstanding amount payable against the Company. The department filed an appeal before Income Tax Appellate Tribunal (ITAT) which is pending for adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.

18.1.15 During the financial year 2016, the Deputy Commissioner Inland Revenue raised an order under section 161/205 of the Income Tax Ordinance, 2001 for non-deduction of tax amounting Rupees 6.45 million and Rupees 3.76 million for tax years 2009 and 2010 respectively. The Company filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) which was decided against the Company. The Company filed an appeal against the order of CIR-A in Appellate Tribunal Inland Revenue (ATIR), which is pending for adjudication. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.

18.1.16 Deputy Commissioner of Inland Revenue (DCIR) imposed a penalty under Section 182(1)(1A) of the Income Tax Ordinance, 2001, amounting to Rupees 1.48 million for the periods from July 2015 to February 2016 owing to the late filing of monthly withholding statements under Section 165 of the Income Tax Ordinance, 2001. The Company contested the penalty and filed an appeal before the Commissioner of Inland Revenue (Appeals) (CIR - A). The CIR(A) remanded back the case to DCIR to impose a reduced penalty of Rupees 10,000 for each month, considering that the delay in filing of withholding statements was not intentional and no revenue loss was involved.

Subsequently, the Department filed an appeal before the Appellate Tribunal of Inland Revenue (ATIR) against the decision of the CIR(A). This appeal is currently pending for a hearing. Given the precedent set by the Honorable Lahore High Court, Lahore and the learned Tribunal, as well as the fact that the delay was unintentional and no revenue loss occurred, the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.

18.1.17 Based on the legal opinion, due to the Scheme of Compromises, Arrangement and Reconstruction (the Scheme); the routing of transactions in order to pass on the impact of sales tax to subsidiary company is in line with the Scheme sanctioned by the Honorable Court. Therefore, there will be no non-compliance at this point of time, however, at any stage if there will be negative inference; then the same will be dealt accordingly.

18.1.18 The Company previously adjusted business losses of the subsidiary company totalling Rupees 324 million under the Group Relief provisions of Section 59B of the Income Tax Ordinance, 2001. During the current year, a marginal variation in the Company's shareholding occurred due to strategic arrangements to support the Company's funding requirements. Management, supported by technical opinions from tax and legal consultants, considers this variation temporary and maintains that effective economic control remains uninterrupted through Board representation and financial support.

It is the Company's technical position that the recapture mechanism under Section 59B(5) does not mandate a retroactive reversal of all prior benefits, as each year's loss surrender triggers an independent five-year maturation period. Management believes that benefits from earlier years have vested upon substantial compliance with their respective cycles and that any tax impact should be confined to the period of variation, especially given the absence of explicit statutory language requiring a cumulative clawback for a de minimis breach where economic substance remains intact.

However, on a basis of accounting prudence and in view of the literal interpretation traditionally adopted by the tax authorities, a provision of Rupees 93.998 million has been recognized in the financial statements of the Company and parent company. This amount represents the potential tax impact as calculated under Section 59B and is intended to be offered by the Parent Company in its tax return for the year 2026. This recognition is without prejudice to the Company's right to contest the quantum of any reassessment. The impact of these adjustments in parent company and subsidiary company has neutralised in these consolidated financial statements. Any difference between the provisioned amount and the final liability determined by the Federal Board of Revenue will be adjusted in the appropriate period upon the advice of the Company's tax consultants.

- 18.1.18** Based on the legal opinion, due to the Scheme of Compromises, Arrangement and Reconstruction (the Scheme); the routing of transactions in order to absorb the impact of sales tax to the Company is in line with the Scheme sanctioned by the Honorable Court. Therefore, there will be no non-compliance at this point of time, however, at any stage if there will be negative inference; then the same will be dealt accordingly.

Contingencies pertaining to Samin Textile Limited

- 18.1.19** A petition for execution of decree of the Civil Court relating to land of the Company situated in village Rousa, Kasur which has been sold earlier period is pending before Civil Judge, Kasur.
- 18.1.20** A suit has been initiated by Dynamic Equipment & Control (Private) Limited on October 12, 2018 seeking recovery of Rupees 8.4 million from the Company. Notices have been issued and the Company is actively defending its rights in the ongoing legal proceedings. As per advice of the legal counsel the Company has already recorded payable amounting to Rupees 7.1 million and there is very likelihood that no additional liability is required in these financial statements.
- 18.1.21** An appeal has been lodged against the Company in a separate recovery suit by a customer of Samin Textile Limited. The customer alleges damages stemming from the supply of defective cloth amounting to Rupees 11.383 million along with an additional claim for damages aggregating Rupees 5 million. The matter is currently subjudice before the Lahore High Court, Lahore. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.
- 18.1.22** An appeal effect order under section 124 for Tax Year 2008 was issued following the direction provided in the communication from the Commissioner Inland Revenue (Appeals) -II dated 16-04-2014. This order resulted in the determination of total losses amounting to Rupees 128,915,283 with a corresponding demand of Rupees 28,482,019 being vacated. Subsequently, both the Company and tax department have pursued further legal recourse by approaching the Appellate Tribunal Inland Revenue against the order of Commissioner Inland Revenue (Appeals) - II. As of the present date, this matter remains pending adjudication before the Appellate Tribunal Inland Revenue. Based on the circumstances and legal consideration surrounding the case and as per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.
- 18.1.23** An order under section 122(5A) for Tax Year 2009 was issued on October 27, 2014 by the Additional Commissioner Inland Revenue (Add. CIR), resulting in the raising of a demand amounting to Rupees 4.8 million. Following this order, an appeal was filed before the Commissioner Inland Revenue Appeals, who granted partial relief. Notably, interest on Workers' Profit Participation Fund (WPPF) and on short term borrowings was disallowed against export sale. Subsequently, the Subsidiary Company opted to challenge the decision by filing an appeal before the Appellate Tribunal Inland Revenue on May 17, 2015 against the order issued by Commissioner Inland Revenue (Appeals) . As of the current date, this appeal remains pending adjudication before the Appellate Tribunal Inland Revenue. Based on the merits of the case and the legal arguments presented and as per the advice of the legal counsel of the Company, there is very likelihood that matter will be resolved in favour of the Company.
- 18.1.24** An order under section 122(5A) for Tax Year 2010 was issued on October 31, 2012 by the Additional Commissioner Inland Revenue (Add. CIR), which reduced the Income Tax Refunds to Rupees to Rupees 521,334 by imposing a minimum tax under section 113 at a rate of 0.5% on local sales amounting to Rupees 4,412,674. Subsequently, an appeal was filed before the Commissioner Inland Revenue (CIR) Appeals, who upheld the stance of the Additional Commissioner Inland Revenue. Following this decision, an appeal against the order of Commissioner Inland Revenue (CIR) Appeals was filed on July 04, 2013 before the Appellate Tribunal Inland Revenue (ATIR). The appeal was heard on April 11, 2019, where the Appellate Tribunal Inland Revenue upheld the decision of the Commissioner Inland Revenue. In response to these legal developments, the Company has taken further recourse by approaching the Honorable High Court, Lahore, against such

order. As per the advice of the legal counsel of the Company, there is very likelihood that matter will be resolved in favour of the Company.

- 18.1.25** Additionally, orders for Tax Year 2010 under section 122(5A) dated September 16, 2015 and November 26, 2015, were passed by the Commissioner Inland Revenue, which reduced brought forward losses and created a liability amounting to Rupees 1,640,269 and Rupees 1,775,510 respectively. Subsequently, an appeal against these orders of the Commissioner Inland Revenue was filed before Commissioner Inland Revenue Appeals-II, who annulled the aforementioned orders and remanded the case back to the Department for re-examination through an order dated February 06, 2019. In response, an appeal has been filed by the tax department before the Appellate Tribunal Inland Revenue, which is currently pending adjudication. As per the advice of the legal counsel of the Company, there is very likelihood that matter will be resolved in favour of the Company.
- 18.1.26** An order under section 122(5A) for Tax Year 2011 was issued on February 02, 2016 by the Commissioner Inland Revenue (CIR), reducing the Income Tax Refunds from Rupees 8,939,819 to Rupees 2,925,744. Subsequently, an appeal against this order was filed before the Commissioner Inland Revenue Appeals-II, Lahore. After considering the arguments presented, the Commissioner Inland Revenue Appeals-II deleted the additions made under section 158(a) of the Ordinance by the Commissioner Inland Revenue. Additionally, a direction was issued to re-examine the issue of refunds by the department through an order dated February 06, 2019. However, the tax department filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), on March 22, 2019. As of the current date, this appeal remains pending adjudication before the Appellate Tribunal Inland Revenue (ATIR). Based on the merits of the case and the legal arguments presented and upon the advice of legal counsel of the Company. There is very likelihood that matter will be resolved in favour of the Company.
- 18.1.27** The Additional Commissioner Inland Revenue (ACIR) passed an order on June 23, 2018 under section 122(5A) of the Ordinance, along with a notice of demand under Section 137 of the Ordinance. This resulted in the raising of a tax demand amounting to Rupees 3,971,666 and made an impugned addition/disallowance of Rupees 22,739,169. Subsequently, the Company filed an appeal before the Commissioner Appeals-II. The appellate order no. 18/A-V dated July 26, 2021 was passed by Commissioner Appeals-II, wherein the addition made on account of 'Markup' amounting to Rupees 22,530,747 was deleted. However, the remaining additions have been remanded back to the Additional Commissioner Inland Revenue for re-examination. As of the present date, the department has not challenged this order of Commissioner Appeals-II. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.
- 18.1.28** An order under section 122(1)(5) for Tax Year 2014 was issued on July 29, 2017 by Additional Commissioner Inland Revenue (ACIR), Unit-02, Zone-VII. This order resulted in the addition of Rupees 23,525,775 and the raising of a tax demand of Rupees 1,293,704. Subsequently, an appeal against the order of the Additional Commissioner Inland Revenue was filed before the Commissioner Inland Revenue Appeals-II (CIR Appeals-II). The appellate order, numbered 33/A-V and dated June 25, 2021 was passed by Commissioner Inland Revenue Appeals-II. In this order, the additions made on account of salaries amounting to Rupees 900,000 were reduced by 50%. Additionally, the disallowance of 'power and fuel charges' amounting to Rupees 1,500,000 was deleted. However, the remaining additions were remanded back to the Additional Commissioner Inland Revenue for re-examination. As of the present date, the department has not been challenged this order of Commissioner Inland Revenue Appeals-II. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.
- 18.1.29** An order under section 122(1) for Tax Year 2015 was issued by the Additional Commissioner Inland Revenue (ACIR), whereby an addition of Rupees 18,856,268 was made and the tax refund claimed demand was reduced from Rupees 17,462,076 to Rupees 17,099,006. Subsequently, an appeal against the order of the Additional Commissioner Inland Revenue was filed before the Commissioner Inland Revenue Appeal (CIR-A). The appellate order numbered 19/A-V and dated July 26, 2021 was passed by Commissioner Inland Revenue appeals. In this order, the additions made on account of donations amounting to Rupees 300,000 were deleted. However, the remaining additions were remanded back to the Additional Commissioner Inland Revenue for re-examination. As of the present date, the department has not been challenged this order of Additional Commissioner Inland Revenue. As per the advice of the legal counsel of the Company; there is very likelihood that matter will be resolved in favour of the Company.



18.1.30 According to clause 4 of the Share purchase agreement dated January 22, 2021 between Ex-sponsors, New sponsors and the Company, all liabilities whether disclosed or undisclosed including but not limited to direct or indirect liabilities, indebtedness, claim including demand, suit, litigation, arbitration, assessment or proceeding made or brought against the Company and the Purchaser and loss, damage, taxes (direct or indirect), settlement agreements, secured or unsecured related to the Company and pertaining to the period up-to consummation of this transaction shall be responsibility and liability of the Sellers. Accordingly no further provision is required in respect of above mentioned other contingencies.

Based on the opinion of the legal and tax advisors handling the above litigations, the management believes that the Company has strong legal grounds against each case and that no financial liability is expected to accrue. Accordingly, no provision (in addition to already held in respect of certain cases of the Company) has been made in these financial statements.

18.2 Commitments

18.2.1 The facilities as at December 31, 2025 were Rupees 4,355.413 million (2024: Rupees 5,302.735 million) of which remaining unutilized amount was Rupees 1268.323 million (2024: Rupees 1,140.572 million).

18.2.2 The parent company has obtained a financing facility of Rupees 89.00 million from Dawood Equities Limited against pledge of 12.500 million ordinary shares of Waves Home Appliances Limited owned and held by the parent company. The parent company has also pledged 3.500 million ordinary shares and 81.5 million ordinary shares of Waves Home Appliances Limited owned and held by the Company with M/S Adam Usman Securities (Private) Limited for obtaining credit facility and Digital Custodian (Private) Limited under purchase

18.2.3 There are no other material commitments to report as at reporting date (2024: Nil).

19	Property, plant and equipment	Note	2025	2024
			(Rupees in '000)	
	Operating fixed assets	19.1	3,836,638	3,586,774
	Right of use assets	19.1	7,386	16,633
	Capital work in progress	19.2	4,521,441	5,192,180
			<u>8,365,465</u>	<u>8,795,588</u>

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19.1 Operating fixed assets - tangible
At revalued amount

	Operating fixed assets (Rupees in '000')							ROUA Vehicles	Total
	Freehold land	Buildings on freehold land	Leasehold improvements	Plant and machinery	Furniture and equipment	Computers	Vehicles		
Cost	10,000	715,428	529,481	3,356,690	145,334	87,716	95,165	78,923	5,018,737
Accumulated depreciation	-	(58,157)	(330,475)	(386,355)	(103,189)	(82,464)	(88,306)	(43,457)	(1,092,414)
Net book value	10,000	657,271	199,006	2,970,335	42,146	5,252	6,859	35,456	3,926,324
Year ended December 31, 2024									
Net book value at January 01, 2024	10,000	657,271	199,006	2,970,335	42,146	5,252	6,859	35,456	3,926,325
Additions during the year	-	-	-	-	237	-	-	-	237
Transferred from leased assets	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	3,382	(3,382)
Accumulated depreciation	-	-	-	-	-	-	-	(2,365)	2,365
Disposal / Write offs	-	-	-	-	-	-	-	1,017	(1,017)
Cost	(10,000)	(17,421)	-	-	(130)	(225)	(24,725)	(5,329)	(57,830)
Accumulated depreciation	-	-	-	-	27	216	20,967	2,635	23,845
Impairment	(10,000)	(17,421)	-	-	(103)	(9)	(3,758)	(2,594)	(33,985)
Depreciation charge	-	(10,798)	(76,312)	(168,403)	(13,993)	(2,594)	(1,122)	(15,112)	(288,274)
Net book value	-	629,052	122,694	2,801,932	28,317	2,679	2,100	15,633	3,603,407
As at January 01, 2025									
Cost	-	698,007	529,481	3,356,690	145,441	87,491	72,926	70,212	4,960,249
Accumulated depreciation	-	(68,955)	(406,787)	(554,758)	(117,125)	(84,812)	(70,826)	(53,879)	(1,356,842)
Net book value	-	629,052	122,694	2,801,932	28,317	2,679	2,100	15,633	3,603,406
Year ended December 31, 2025									
Net book value at January 01, 2024	-	629,052	122,694	2,801,932	28,317	2,679	2,100	15,633	3,603,406
Additions during the year	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
Transfers from capital work in progress	-	-	-	753,427	-	-	-	-	753,427
Transferred from leased assets	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	18,732	(18,732)	-
Accumulated depreciation	-	-	-	-	-	-	(18,732)	18,732	-
Disposal / Write offs	-	-	-	-	-	-	-	-	-
Cost	-	(182,000)	-	-	-	-	(10,261)	-	(192,261)
Accumulated depreciation	-	4,039	-	-	-	-	10,261	-	14,300
Transfers to investment property	-	(177,961)	-	-	-	-	-	-	(177,961)
Cost	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge	-	(14,832)	(76,312)	(217,026)	(14,544)	(2,310)	(577)	(9,247)	(334,849)
Net book value	-	436,258	46,382	3,338,333	13,773	369	1,523	7,386	3,844,024
Depreciation rate (% per annum)	Nil	3	10 - 33	6.57	10	20	20	20	20

no

19.2 Particulars of operating fixed assets disposed off during the year under Companies Act, 2017:

	2025 Rupees in ('000')
Buildings on freehold land	
Cost / Revalued amount	182,000
Accumulated depreciation	(4,039)
Net book value	<u>177,961</u>
Sale proceeds	<u>122,760</u>
Loss on disposal	<u>(55,201)</u>
Relationship	Independent
Particulars of purchaser	Ms. Ghulam Zohra
Mode of disposal	Negotiation
Items having aggregate book value less than Rupees 500,000 or more	
Cost / Revalued amount	10,261
Accumulated depreciation	(10,261)
Net book value	<u>-</u>
Sale proceeds	<u>5,805</u>
Gain / (Loss) on disposal	<u>5,805</u>
Relationship	Employees / Ex-employees
Particulars of purchaser	Various
Mode of disposal	Company policy

19.1.2 Had there been no revaluation of operating fixed assets; carrying value of operating fixed assets as of reporting date would have been as follows:

	2025 (Rupees in '000)	2024
Land	-	10,000
Buildings	279,604	288,252
Plant and machinery	2,995,766	2,415,402
	<u>3,275,370</u>	<u>2,713,654</u>

19.1.3 The latest revaluation was carried on December 30, 2023 by Unicorn International Surveyors. As per the revaluation report, forced sale value of freehold land, buildings on freehold land and plant and machinery were Rupees 9.000 million (2024 Rupees 9.000 million), Rupees 284.75 million (2024: Rupees 284.75 million) and Rupees 2,424.78 million (2024: Rupees 2,424.78 million) respectively.

19.1.4 Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location	Usage of immovable property	Total area (Kanals/Marla)	Covered area (Square Feet)
- Muaza Mustafabad, 41 KM Ferozepur Road, Off 2-KM Rohi Nala Road, Tehsil & District Kasur	Manufacturing facility (In the process of construction)	188 Kanals	322,452
- Commercial Property Bearing Shop No.5, 6 & 15, Ground Floor, Al Amna Complex, Block B, Alamgir Road, Civil Line Cantonment, Hyderabad	Own Business	3.4 Marlas	915
Commercial Property Bearing City Survey No. C-420, Ward No.C, Ground Floor Marhaba Centre, Opposite Muhammad Bin Qasim	Own Business	7.28 Marlas	1,983
Shop No.1, Sub-Plot Nos. Sb-3/34 &35 of Plot Nos.34 & 35, Ground Floor, Suleman Centre, Daud Pota	Held for capital appreciation and generating rental income	1.29 Marlas	350
9-KM, Hanjarwal, Multan Road, Lahore. Muaza Mustafabad, 41 KM Ferozepur Road, Off 2-KM Rohi Nala Road, Tehsil & District Kasur	Head Office and Manufacturing Facility Investment property	1,238.62 Marlas 90 Kanals	340,134 -

	Note	2025 (Rupees in '000)	2024
19.1.5	Depreciation for the year has been allocated as follows:		
Cost of sales	30	216,769	173,855
Marketing, selling and distribution costs	32	76,244	76,312
Administrative expenses	33	41,836	38,106
		<u>334,849</u>	<u>288,273</u>
19.2	Capital work-in-progress		
Opening balance		5,192,180	4,172,927
Additions during the year		374,785	1,019,253
		<u>5,566,965</u>	<u>5,192,180</u>
Transfers to operating fixed assets		(753,427)	-
Transfers to investment property		(292,097)	-
		<u>4,521,441</u>	<u>5,192,180</u>
Breakup of capital work in progress is as follows:			
- Freehold land		611,457	903,554
- Civil work		1,736,602	1,413,400
- Plant and machinery		285,511	704,551
- Electric installation		-	1,429
- Advance to suppliers		130,488	115,344
- Borrowing costs		1,757,382	2,053,903
		<u>4,521,441</u>	<u>5,192,181</u>

20	Intangible assets		
Software		14,201	18,867
Goodwill		1,070,207	1,070,207
Brand value		1,582,147	1,582,147
Customer relationships		61,569	92,297
		<u>2,728,124</u>	<u>2,763,518</u>

20.1 Reconciliation of carrying amounts					
Description	Software	Goodwill	Brand value	Customer relationship	Total
(Rupees in '000)					
Cost					
Balance as at January 01, 2024	123,826	1,070,207	1,582,147	261,289	3,037,469
Addition during the year	-	-	-	-	-
Balance as at December 31, 2024	<u>123,826</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>261,289</u>	<u>3,037,469</u>
Balance as at December 31, 2024	123,826	1,070,207	1,582,147	261,289	3,037,469
Additions during the year	-	-	-	-	-
Balance as at December 31, 2025	<u>123,826</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>261,289</u>	<u>3,037,469</u>
Amortization and impairment losses					
Balance as at January 01, 2024	(100,294)	-	-	(138,264)	(238,558)
Charge for the year	(4,665)	-	-	(30,728)	(35,393)
Balance as at December 31, 2024	<u>(104,959)</u>	-	-	<u>(168,992)</u>	<u>(273,951)</u>
Balance as at December 31, 2024	(104,959)	-	-	(168,992)	(273,951)
Charge for the year	(4,666)	-	-	(30,728)	(35,394)
Balance as at December 31, 2025	<u>(109,625)</u>	-	-	<u>(199,720)</u>	<u>(309,345)</u>
Written down value as at December 31, 2024	<u>18,867</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>92,297</u>	<u>2,763,518</u>
Written down value as at December 31, 2025	<u>14,201</u>	<u>1,070,207</u>	<u>1,582,147</u>	<u>61,569</u>	<u>2,728,124</u>
Rates of amortization / useful life	5-10 years	Nil	Nil	10.5 years	

20.2 Goodwill and other intangible assets acquired in business combination

Effective September 01, 2021, Waves Home Appliances Limited (WHAL) completed a 'Scheme of Arrangement' as approved by the Honorable Lahore High Court through its Order dated June 22, 2022 for the demerger of home appliances business of Waves Corporation Limited (WCL) and amalgamation of the same into the subsidiary company. These intangibles have been transferred from WCL at their carrying values in compliance with the Accounting Standard "Accounting for Common Control Transactions" as issued by ICAP and notified through SRO 53(I) 2022 dated January 12, 2022.

20.2.1 Impairment testing

The recoverable amount of goodwill including intangible assets (brand value and customer relationships) acquired through a business combination has been tested for impairment as at December 31, 2025, by allocating the amount of goodwill and intangible assets to respective assets on which it arose, based on value in use in accordance with IAS 36 "Impairment of Assets". The recoverable amount was calculated on the basis of four years business plan approved by the Board of Directors which includes a comprehensive analysis of existing operational deployments of the Company along with strategic business plans and business growth. The value in use calculations are based on cash flow projections derived from aforesaid business plan, which have been extrapolated beyond five years, by using a steady 10.00% growth rate. The financial projections involve certain key assumptions such as sales price and composition and raw materials etc. The cash flows are discounted using such discount rates for use in calculation of value in use which are sensitive to discount rate and local inflation rates. The values assigned to the key assumptions represent management's assessment of future business trends and have been based on historical data from both external and internal sources. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill and other intangible assets.

20.3	Amortisation for the year has been allocated as follows:	Note	2025	2024
			(Rupees in '000)	
	Marketing, selling and distribution costs	32	30,728	30,728
	Administrative expenses	33	4,666	4,666
			<u>35,394</u>	<u>35,394</u>
21	Investment property			
	Balance as at January 01		3,585,432	17,421
	Addition during the year		292,097	-
	Transferred from inventories	23.3	-	3,126,042
	Disposals during the year		-	(17,421)
	Fair value gain		638,028	459,390
	Balance as at December 31		<u>4,515,557</u>	<u>3,585,432</u>

21.1 As at reporting date, investment property having fair value of Rupees 4,338 million (2024: Rupees 3,585 million) whereas forced sale value of the property was Rupees 3,687 million (2024: Rupees 3,048 million). Changes in fair value of investment property has been recognised in statement of profit or loss as 'Other Income' as referred to in Note 35. The fair value of investment properties as of December 31, 2025 has been determined by an external independent property valuer Unicorn International Surveyors based on independent inquiries from active local realtors, recent experience in the location and the records of the valuer.

21.2 The fair value measurement of the investment property had been categorized as a level 3 fair value based on the input to the valuation technique used.

	Note	2025 (Rupees in '000)	2024
22 Long term deposits			
Deposits against leases	22.1	5,676	15,500
Deposits against rented premises		15,500	7,480
Deposits against utilities		7,422	7,422
		<u>28,598</u>	<u>30,402</u>
22.1	These have been deposited against leased vehicles and rented premises and are refundable on completion or termination of contracts in accordance with terms of contract. These are classified as 'amortized cost' under the requirement of International Financial Reporting Standard 9 "Financial Instruments". However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.		
	Note	2025	2024
		Rupees in ('000)	
23 Inventories			
Under developed properties	23.1	-	-
Stock in trade	23.4	2,503,786	2,494,012
		<u>2,503,786</u>	<u>2,494,012</u>
23.1 Under developed properties			
Balance at the beginning of the year		-	3,126,042
Add: transfer from non-current assets held for sale		-	-
Add: Costs incurred during the year	23.2	-	-
Less: Costs transferred to cost of revenue during the year	23.3	-	(3,126,042)
Balance at end of the year		<u>-</u>	<u>-</u>
23.2	This represents inventories being developed by the parent company for the purposes of sale upon completion of the project. In November 2021, the Board decided that the freehold land on which existing manufacturing facility of the WCL is located shall be used for real estate project/apartment complex. This includes borrowing costs of Rupees Nil (2024: Rupees Nil) and amount of Rupees Nil (2024: Nil) incurred in connection with the project development. The activities for development of real state project remain inactive, therefore, borrowing costs for the year has been charged to statement of profit or loss.		
23.3	As the board of the directors of the parent company have decided to classify the projects as investment property owing to delay in implementation of the project development for an indefinite period.		
	Note	2025	2024
		Rupees in ('000)	
23.4 Stock in trade			
Raw material		295,902	332,583
Packing material		6,097	5,679
Raw and packing materials in bonded warehouse		1,657,906	1,657,906
Work in process		75,377	64,388
Finished goods		498,931	463,883
		<u>2,534,213</u>	<u>2,524,439</u>
Provision for slow moving and damaged stock	23.5	<u>(30,427)</u>	<u>(30,427)</u>
		<u>2,503,786</u>	<u>2,494,012</u>
23.5 Movement in provision for obsolete stock			
Balance at the beginning of year		30,427	60,295
Reversal during the year		-	(29,868)
Written off during the year		-	-
Balance at the end of year		<u>30,427</u>	<u>30,427</u>
24 Stores, spares and loose tools			
Stores		16,380	18,052
Spares		1,391	896
Loose tools		1,819	2,358
		<u>19,590</u>	<u>21,306</u>

	Note	2025	2024
		Rupees in ('000)	
25 Trade debts			
<i>Unsecured - considered good:</i>			
Local receivables from customers		5,090,593	4,419,897
Trade receivables under hire purchase arrangement			
- Retail		1,606,211	1,498,155
- Institutional (employees of the corporate entities)		109,419	109,419
Trade receivables - others		220	9,992
		<u>6,806,443</u>	<u>6,037,463</u>
Less: Long term portion of trade debts		(1,056)	(1,150)
Current portion of trade debts		6,805,387	6,036,313
Unearned carrying charges		(120,867)	(125,967)
		<u>6,684,520</u>	<u>5,910,346</u>
Less: Allowance for expected credit loss	25.1	(681,456)	(302,656)
		<u>6,003,064</u>	<u>5,607,690</u>
25.1 Allowance for expected credit losses			
Balance at the beginning of year		302,656	149,828
Charge during the year		378,799	152,828
Balance at the end of year		<u>681,456</u>	<u>302,656</u>
25.2 The expected credit allowance for trade debts as at reporting date was determined as follows:			
		Exposure at default	Expected Credit Loss (ECL)
		Rupees in ('000)	
Aging Bucket			
December 31, 2025			
Not yet due		1,847,718	28,884
Over due up to 30 days		206,066	7,704
Overdue by more than 31 days but less than 60 days		536,322	27,404
Overdue by more than 61 days but less than 90 days		558,239	35,250
Overdue by more than 91 days but less than 180 days		990,433	75,357
Overdue by more than 180 days		3,019,112	506,856
		<u>7,157,890</u>	<u>681,456</u>
December 31, 2024			
Not yet due		1,802,085	5,613
Overdue up to 30 days		164,372	2,050
Overdue by more than 31 days but less than 60 days		204,913	3,627
Overdue by more than 61 days but less than 90 days		186,250	4,908
Overdue by more than 91 days but less than 180 days		2,134,128	68,403
Overdue by more than 180 days		1,545,714	218,053
		<u>6,037,463</u>	<u>302,656</u>
		2025	2024
		(Rupees in '000)	
26 Advances, deposits, prepayments and other receivables	Note		
<i>Un-secured - consider good:</i>			
Advances to employees		16,626	13,813
Advances to suppliers		477,974	477,772
Loss allowances against advances to suppliers		(16,087)	(6,502)
		<u>461,887</u>	<u>471,270</u>
Advances against imports		179,766	179,775
Advances to employees against salaries		-	94
Security deposits		9,745	10,499
Prepayments		1,646	1,207
Accrued mark up on investment		18	44
Due from broker		52	17,554
Others		8,668	8,668
<i>Un-secured - consider doubtful:</i>			
Other receivables		148,788	153,507
Loss allowances against other receivables	26.2	(147,588)	(147,588)
		<u>1,200</u>	<u>5,919</u>
		<u>679,608</u>	<u>708,843</u>

Waves Corporation Limited and its subsidiaries

	Note	2025 Rupees in ('000)	2024 Rupees in ('000)
26.1 Movement in loss allowance against other receivables			
Balance as at 01 January		147,588	147,588
Loss allowance for the year		-	-
Balance as at 31 December		<u>147,588</u>	<u>147,588</u>
26.2	This includes claims receivable from insurance companies, suppliers and product claims amounting to Rupees 8.099 million against which provision of Rupees 8.099 million (2024: Rupees 8.099 million) has already been provided.		
		<u>2025</u>	<u>2024</u>
		<u>(Rupees in '000)</u>	
27 Short term investment			
Term deposit receipts		<u>3,000</u>	<u>3,000</u>
27.1	This represents Term Deposit Receipts issued by the Bank of Khyber and carry expected mark-up rate ranging from 6.90% (2024: 16.72%) per annum and are held for the period of monthly on rollover basis.		
		<u>2025</u>	<u>2024</u>
		<u>(Rupees in '000)</u>	
28 Cash and bank balances	Note		
Cash in hand		14,850	18,319
Cash at bank in:			
- Current accounts		20,646	25,712
- Deposit accounts		37,809	6,299
		<u>58,455</u>	<u>32,012</u>
29 Revenue - net		<u>73,304</u>	<u>50,330</u>
Gross revenue			
Sales of goods		5,187,899	3,900,802
Hire-purchase sales		1,180,234	1,172,030
		<u>6,368,133</u>	<u>5,072,833</u>
Less:			
Sales tax on goods		(960,923)	(197,950)
Sales return and trade discounts		(627,879)	(930,125)
		<u>(1,588,802)</u>	<u>(1,128,076)</u>
Net revenue		<u>4,779,331</u>	<u>3,944,757</u>
30 Cost of sales			
Raw material consumed	30.1	2,910,836	1,684,490
Packing material consumed	30.2	52,464	51,873
Stores, spares and loose tools consumed	30.3	57,347	16,973
Salaries, wages and other benefits	30.4	157,365	124,429
Fuel and power		54,102	45,774
Freight charges		11,056	11,014
Insurance expense		2,832	2,970
Repairs and maintenance		17,107	2,919
Printing and stationery		121	270
Travelling and conveyance		143	178
Rent, rates and taxes		-	317
Depreciation		216,769	173,855
Others	30	924	165
Cost of goods manufactured carried forward		<u>3,481,065</u>	<u>2,115,226</u>
Work in process			
- Opening stock		64,388	74,340
- Closing stock		(75,377)	(64,388)
Cost of goods available for sale - carried down		<u>3,470,076</u>	<u>2,125,178</u>

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		2025	2024
		(Rupees in '000)	
Cost of goods available for sale - brought forward		3,470,076	2,125,178
Finished goods			
- Opening stock		463,883	605,972
- Purchase during the year		-	458,195
- Closing stock		(498,931)	(463,883)
		(35,048)	600,284
Cost of goods sold		<u>3,435,028</u>	<u>2,725,462</u>
30.1 Raw material consumed			
Opening stock		332,583	678,147
Raw material purchases		2,082,691	1,338,926
		2,415,274	2,017,073
Less: Closing stock		(295,902)	(332,583)
Raw material consumed		<u>2,119,372</u>	<u>1,684,490</u>
30.2 Packing material consumed			
Opening stock		5,679	11,062
Packing material purchases		52,882	46,489
		58,561	57,552
Closing stock		(6,097)	(5,679)
Packing material consumed		<u>52,464</u>	<u>51,873</u>
30.3 Stores, spares and loose tools consumed			
Opening stock		21,306	26,447
Purchases		55,631	11,832
		76,937	38,279
Less: Closing stock		(19,590)	(21,306)
Stores consumed		<u>57,347</u>	<u>16,973</u>
30.4	These include staff retirement benefits in respect of provident funds Rupees 9,250 million (2024: Rupees 5.781 million).		
31 Other income	Note	2025	2024
		(Rupees in '000)	
Income from financial assets			
Profit on bank deposits		1,480	1,503
Profit on term deposit receipts		334	529
Effect of present value discounting of accrued mark up		194,465	823,566
Income from other than financial assets			
Scrap sales		9,206	7,216
Exchange gain - net		-	85
Fair value gain in investment property	21	638,028	461,584
Amortisation of deferred income	13	697	1,163
Credit balance written back		52,631	47,926
Gain on disposal of property plant and equipment		5,805	40,393
Gain on disposal of Investment property		-	39,579
Director loan written back		200,000	-
Insurance claim		-	5,581
Earned carrying charges		255,100	300,218
Others		1,022	8,071
		<u>1,358,768</u>	<u>1,737,414</u>

32	Marketing, selling and distribution costs	Note	2025	2024
			(Rupees in '000)	
	Salaries and benefits	32.1	198,907	222,197
	Commission expense		48,481	59,853
	Rent, rates and taxes		82,617	103,796
	Publicity and sales promotion		2,467	2,595
	Freight		21,088	20,509
	Depreciation	30	76,244	76,312
	Warranty expense		16,511	25,603
	Utilities		20,234	22,892
	Communication		3,568	4,239
	Travelling and conveyance		17,085	15,522
	Repair and maintenance		3,078	3,657
	Printing and stationery		2,165	2,572
	Amortisation	20.3	30,728	30,728
	Insurance expense		771	994
	Others		3,465	3,152
			<u>527,409</u>	<u>594,621</u>

32.1 These include staff retirement benefits in respect of provident funds amounting to Rupees 4.008 million (2024: Rupees 4.525 million).

33	Administrative expenses	Note	2025	2024
			(Rupees in '000)	
	Salaries wages and other benefits	33.1	266,765	266,389
	Legal and professional charges		2,224	6,079
	Communication		8,269	8,622
	Travelling and conveyance		18,026	13,927
	Repair and maintenance		5,557	2,164
	Utilities		7,708	7,651
	Printing and stationery		2,960	865
	Rent, rates and taxes		2,182	707
	Insurance expense		2,997	9,781
	Entertainment expense		6,780	3,733
	Fees and subscription		3,895	15,862
	Brokerage commission		28,998	
	Amortisation of intangible assets	20.3	4,666	4,666
	Depreciation on right of use		5,254	33,773
	Charity and donations	33.2	1,100	400
	Impairment		-	896
	Depreciation on operating fixed assets	30	36,582	4,333
	Others		2,855	2,530
			<u>406,818</u>	<u>382,379</u>

33.1 These include staff retirement benefits in respect of provident funds amounting to Rupees 5.352 million (2024: Rupees 6.043 million) and gratuity funds amounting to Rupees 2.960 million (2024: Rupees 3.620 million).

33.2 None of the donations were made to an entity in which any director or his / her spouse had an interest.

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		2025	2024
	Note	(Rupees in '000)	
34	Other operating expenses		
	Legal and professional	5,376	1,386
	Allowance for expected credit loss	387,421	152,828
	Allowance for doubtful receivables	9,585	6,502
	Auditor's remuneration	8,374	7,981
	Exchange loss - net	620	-
	Effect of discounting of accrued markup at present value	96,338	-
	Loss on disposal of property, plant and equipment	55,201	-
	Effect of termination of lease	-	111
	Debit balances written off	134	12,370
	Workers' profits participation fund	1,233	1,226
	Workers' welfare fund	10,302	5,571
		<u>574,584</u>	<u>187,975</u>
34.1	Auditors' remuneration		
	Statutory audit fee	938	1,200
	Fee for the review of interim financial information	1,228	1,050
	Statutory audit fee of subsidiaries	4,575	4,226
	Audit fee for consolidated financial statements	300	300
	Fee for the review of code of corporate governance and other certifications under agreed upon procedures	815	700
	Out of pocket expenses	518	505
		<u>8,374</u>	<u>7,981</u>
35	Finance costs		
	Mark up on long term financing	444,790	486,571
	Mark up on short term borrowings	53,459	124,234
	Lease finance charges	5,335	7,212
	Interest on workers' profit participation fund	266	1,036
	Effect of unwinding of deferred mark up	126,643	67,773
	Bank commission and other charges	5,788	13,313
		<u>636,281</u>	<u>700,139</u>
36	Levies		
	For the year	84,140	7,074
	Prior period	1,427	(4,878)
		<u>85,567</u>	<u>2,196</u>
36.1	The Group's provision for taxation is based on the consolidated results of the Group under Section 59AA of the Income Tax Ordinance, 2001 read with Section 59B of the Income Tax Ordinance, 2001 which represents minimum tax and alternate corporate tax under Income Tax Ordinance, 2001. This represents minimum tax on sale of goods under Section 113 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of interpretation issued by International Financial Reporting Interpretation Committee (IFRIC) 21 / International Accounting Standard 37, Provision, contingent liabilities and contingent assets. Securities and Exchange Commission of Pakistan designated the parent company and the Company along with two wholly owned subsidiaries as a "Group" for the purpose of group taxation and group relief under the provisions of Section 59AA and Section 59B of the Income Tax Ordinance, 2001. During the year, the parent company made divestment in the shares of Waves Home Appliances Limited resulting reduction in control below the threshold of 55% requiring the parent company not to take the benefit of group relief under the provisions of Section 59B of the Income Tax Ordinance, 2001.		
37	Income tax expense	2025	2024
		(Rupees in '000)	
	Current:		
	- for the year	1,011	42,106
	- prior year	-	-
	Deferred tax	1,011	42,106
		<u>(59,059)</u>	<u>(40,102)</u>
		<u>(58,048)</u>	<u>2,004</u>

37.1 The Group's provision for taxation is based on its taxable income under the normal tax regime in accordance with the provisions of the Income Tax Ordinance, 2001. This represents tax charge computed on taxable income along with minimum tax, where applicable, under the Income Tax Ordinance, 2001. In the prior year, the Company's provision for taxation was based on the consolidated results of the Group under Sections 59AA and 59B of the Income Tax Ordinance, 2001. In the prior years, the Group's provision for taxation was based on the consolidated results of the Group under Sections 59AA and 59B of the Income Tax Ordinance, 2001. During the year; the parent company made divestment in the shares of Waves Home Appliances Limited resulting reduction in control below the threshold of 55% requiring the parent company not to take the benefit of group relief under the provisions of Section 59B of the Income Tax Ordinance, 2001.

37.2 The parent company has filed tax returns up to tax year 2025 (Accounting year December 31, 2024) which stands assessed under Section 120 of the Income Tax Ordinance, 2001. However, tax authorities are empowered to question the assessment at any time within five years at the end of the financial year in which the return are filed.

37.3 Reconciliation of current tax charge charged as per tax laws for the year with current tax recognised in statement of profit of loss is as follows:

	2025	2024
	(Rupees in '000')	
Current tax liability for the year as per applicable tax laws	85,151	49,180
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(84,140)	(7,074)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of International Financial Reporting Interpretation Committee 21/International Accounting Standard 37, Provision, contingent liabilities and contingent assets	(1,011)	(42,106)
	-	-

	2024
	(Rupees in '000')
37.4 Numerical reconciliation between tax expense and accounting profit:	
Profit / (loss) before taxation	1,091,595
Tax at the applicable tax rate of 29%	316,563
Effect of inadmissible expenses and other items	200,807
Effect of admissible expenses and other items	(474,924)
Effect of minimum tax	7,074
Other	(339)
	49,181

37.5 Numerical reconciliation between tax expense and accounting profit for the year 2024 has not been presented owing to application of minimum tax.

38 **Disclosure requirement for companies not engaged in shariah non-permissible business activities**

Securities & Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1)/2024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities as their core business activities.

	2025	2024
	Rupees in ("000")	
38.1 Shariah screening disclosures by entity listed on Islamic index		
Shariah compliant bank deposits / bank balances	55,760	18,258
Shariah compliant short term financing	196,940	284,940
Shariah compliant long term financing	339,322	279,512
Profit earned from shariah compliant bank deposits	1,475	-

38.2 Relationship with shariah compliant financial institutes:

Bank balances - deposits with banks	Al-Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited The Bank of Khyber The Bank of Punjab Faysal Bank Limited ABHI Microfinance Bank Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan Bank Makramah Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited Bank AL-Habib Limited JS Bank Limited Meezan Bank Limited Bank Makaramah Limited
Short term financing	Dubai Islamic Bank Limited
Long term financing	Al-Baraka Bank (Pakistan) Limited Dubai Islamic Bank Limited Wasa! Mobility Modaraba

39 Earnings per share

The calculation of earnings per share is based on earnings attributable to the owners of ordinary shares of the Group.

	2025	2024
Profit for the year Rupees in "000"	<u>530,460</u>	<u>1,087,394</u>
Weighted-average number of ordinary shares in "000"	<u>281,406</u>	<u>281,406</u>
Earning per share - basic and diluted in "Rupees"	<u>1.89</u>	<u>3.86</u>

39.1 No figure for diluted earnings per share has been presented as the Group has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

40 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Equity			Total	
	Short term borrowings	Long term loans	Lease liabilities	Mark-up accrued on borrowings	Share capital	Capital reserves - Note 6		Loan from Sponsors
Balance as at January 01, 2025	1,021,535	6,022,299	29,803	295,173	2,814,062	5,030,661	430,084	15,643,617
(Rupees in '000)								
Cash flows								
Short term borrowings payment - net receipts	16,030	-	-	-	-	-	-	16,030
Long term loans received/(repaid)	-	(219,000)	-	-	-	-	-	(219,000)
Loan from sponsors received / paid	-	-	-	(83,708)	-	-	(28,611)	(28,611)
Finance cost paid	-	-	(9,383)	-	-	-	-	(83,708)
Repayment of lease rentals-net	-	-	(9,383)	-	-	-	-	(9,383)
	16,030	(219,000)	(9,383)	(83,708)	-	-	(28,611)	(324,672)
Non-cash changes								
Transfer to long term borrowings	(331,676)	-	-	-	-	-	-	(331,676)
Loan from directors written back	-	-	-	-	-	-	(200,000)	(200,000)
Transfer from short term borrowings	-	331,676	-	-	-	-	-	331,676
Mark up deferred	-	584,311	(5,807)	(584,311)	-	-	-	-
Finance cost / deferred grant	-	-	(5,807)	777,870	-	-	-	772,063
	(331,676)	915,987	(5,807)	193,559	-	-	(200,000)	572,063
Balance as at December 31, 2025	705,889	6,719,285	14,613	405,024	2,814,062	5,030,661	201,473	15,891,007
Balance as at January 01, 2024	4,780,395	1,464,024	48,252	819,661	2,814,062	5,030,661	229,017	15,166,072
Cash flows								
Short term borrowings payment - net receipts	(3,808,860)	-	-	-	-	-	-	(3,808,860)
Long term loans received/(repaid)	-	(49,828)	-	-	-	-	-	(49,828)
Loan from sponsors received	-	-	-	(265,509)	-	-	201,067	201,067
Finance cost paid	-	-	(25,771)	-	-	-	-	(265,509)
Repayment of lease rentals-net	-	-	(25,771)	-	-	-	-	(25,771)
	(3,808,860)	(49,828)	(25,771)	(265,509)	-	-	201,067	(3,948,902)
Non-cash changes								
Changes in running finance	50,000	-	-	-	-	-	-	50,000
Transfer to long term borrowings	-	3,696,573	-	-	-	-	-	3,696,573
Transfer from short term borrowings	-	908,530	-	(908,530)	-	-	-	-
Mark up deferred	-	-	7,322	649,551	-	-	-	656,874
Finance cost / deferred grant	-	-	7,322	(258,979)	-	-	-	4,406,446
	50,000	4,608,103	7,322	(258,979)	-	-	-	4,406,446
Balance as at December 31, 2024	1,021,535	6,022,299	29,803	295,173	2,814,062	5,030,661	430,084	15,643,617

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41	Cash flows from operations	Note	2025	2024
			(Rupees in '000)	
	Profit before taxation		557,979	1,091,595
	Adjustments for non-cash items:			
	Depreciation on property, plant and equipment	19.1	325,602	273,162
	Depreciation on right of use assets	19.1	9,247	15,112
	Amortisation of intangible assets	20.3	35,394	35,394
	Finance costs	35	636,281	700,139
	Gain on sale of property, plant and equipment	31	49,396	(40,393)
	Loss on disposal of investment property	31 & 34	-	(39,579)
	Effect of remeasurement upon restructuring	34	96,338	-
	Allowance for expected credit loss	34	387,421	152,828
	Allowance for doubtful receivables	34	9,585	6,502
	Credit balance written back	31	(200,000)	-
	Fair value gain in investment property	31	(638,028)	(461,584)
	Effect of termination of lease	34	-	111
	Amortisation of deferred income	31	(697)	(1,163)
	Impairment of property, plant and equipment	19.1	-	896
	Unrealised exchange loss / (gain)	34	620	(85)
	Debit balances written off	34	134	12,370
	Credit balance written back	31	(52,631)	(47,926)
	Effect of present value discounting of accrued mark up	31	(194,465)	(823,566)
	Employee retirement benefits	11.4	2,959	3,617
	Profit before working capital changes		1,025,135	877,430
	Effect on cash flows due to working capital changes			
	(Increase) / decrease in current assets			
	Inventories		(9,774)	481,278
	Stores, spares and loose tools		1,716	6,804
	Trade receivables		(783,415)	(1,587,027)
	Advances, deposits, prepayments and other receivables		19,516	(234,522)
	Increase / (decrease) in current liabilities:			
	Trade and other payables		(360,138)	65,895
	Cash (used in) / generated from operations		(1,132,095)	(1,247,572)
			(106,960)	(370,142)

42 Provident fund related disclosure

42.1 The Company operates approved contributory provident fund for all the employees eligible under the scheme. Till 2018, the Company was operating two separate provident funds in the name of Singer Pakistan Limited and Cool Industries (Private) Limited but with effect from January 01, 2019, the Company has merged its funds.

42.2 The management is of the view that the investments out of provident fund have not been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated thereunder.

43 Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements in respect of remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Group are as follows:

	Chief Executive		Director		Executives	
	2025	2024	2025	2024	2025	2024
	Rupees ('000)					
Managerial remuneration	33,940	34,990	3,750	4,909	53,138	92,061
Contribution to provident fund	2,916	2,916	341	409	3,925	6,735
House rent allowance	446	446	-	-	16,468	26,227
Medical allowance	3,499	3,499	409	491	11,155	10,282
	40,801	41,851	4,500	5,809	84,686	135,305
Number of persons	1	1	1	1	44	45

43.1 In addition to the above, Directors and certain Executives are provided with free use of the Group's maintained vehicles, club facility and certain items of furniture and fixtures in accordance with their entitlement. The Group also makes contributions based on actuarial calculations to gratuity and pension funds.

43.2 In addition, aggregate amount charged in the financial statements for payments on account of the meeting fee of non-executive directors was Rupees 0.15 million (2024: Rupees 0.15 million).

44 Related parties and related party transactions

The related parties comprise the companies under common control, the companies where key management personnel have control, the directors of the Group and the key management personnel of the Group. Detail of related parties (with whom the Group has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

44.1	Name and nature of relationship	Relationship	Number of shares held
	Mr. Haroon Ahmad Khan (CEO)	Sponsor	95,640,286
	Mr. Hamza Ahmad Khan (Director)	Sponsor	1,614,134
	Mr. Moazzam Ahmed Khan (Director)	Sponsor	1,825
	Mrs. Nighat Haroon Khan	Sponsor	17,332,411
	Waves Singer Pakistan Group Employees Provident Fund	Associated entity	NA

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Group considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

44.2 Transactions with related parties

Nature of relationship	Nature of transactions	2025	2024
		(Rupees in '000)	
Sponsors / shareholders	Loan received	327,174	343,185
	Loan repaid	(155,785)	(142,118)
	Loan from director written back	(200,000)	-
	Adjustment / purchase of shares	(22,100)	22,100
Employee's Provident Fund	Contribution for the year	34,481	34,970
	Transfer to payable amount	3,786	-
	Payments made	(6,498)	-
	Loan obtained during the year	8,000	-
	Interest charged	38,196	63,923
	Mark up paid	(34,420)	-

45 Financial risk management

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees policies for managing each of the risks.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

45.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. Credit risk of the Group arises principally from trade debts, advances, deposits, other receivables and bank balances.

45.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk before any credit enhancements at the reporting date was:

	Note	2025 (Rupees in '000)	2024
Security deposits	22 & 26	38,343	40,901
Trade debts	25	6,003,064	5,607,690
Other receivables	26	1,200	5,919
Balances with banks	28	58,455	32,012
		<u>6,101,062</u>	<u>5,686,522</u>

45.1.2 Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Group's performance for developments affecting a particular industry. Maximum exposure to credit risk by type of counterparty is as follows:

	Note	2025 (Rupees in '000)	2024
Trade debts	25	6,003,064	5,607,690
Security deposits	22 & 26	38,343	33,421
Insurance Company	26	1,200	5,919
Bank balances	28	58,455	32,012
		<u>6,101,062</u>	<u>5,679,042</u>

45.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or historical information about the counterparty default rates. All counterparties, with the exception of customers and utility Companies, have external credit ratings determined by various credit rating agencies and other regulatory authorities. Credit quality of customer is assessed by reference to historical default rates and present ages.

(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances and deposits. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Following are the credit ratings of counterparties with external credit ratings.

Banks	Rating Short term	Rating agency	2025 (Rupees in '000)	2024
Al Baraka Bank (Pakistan) Lim	A-1	VIS	213	233
Askari Bank Limited	A1+	PACRA	135	135
Bank Alfalah Limited	A1+	PACRA	951	920
Bank Islamic Pakistan Limited	A1	PACRA	1	1
The Bank of Khyber	A1	PACRA	349	57
The Bank of Punjab	A1+	PACRA	764	607
Faysal Bank Limited	A1+	PACRA	3,814	3,814
ABHI Microfinance Bank	A2	PACRA	67	108
Habib Bank Limited	A-1+	VIS	6,669	1,949
Habib Metropolitan Bank Limit	A1+	PACRA	235	355
JS Bank Limited	A1+	PACRA	-	-
MCB Bank Limited	A1+	PACRA	2,408	2,125
Meezan Bank Limited	A1+	VIS	3,231	-
National Bank Of Pakistan	A1+	PACRA	29	29
Bank Makramah Limited	A2	VIS	37,786	6,277
Standard Chartered Bank (Pakistan) Limited	A1+	PACRA	840	840
United Bank Limited	A1+	VIS	779	14,286
U Microfinance Bank Limited	A-1	VIS	-	273
Bank AL-Habib Limited	A1+	PACRA	20	-
Mobilink Microfinance Bank Lir	A1	VIS	164	-
			<u>58,455</u>	<u>32,011</u>

(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts and other receivables. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer / dealers. The Group applies the IFRS 9 simplified approach to measure expected credit losses. The management has established a credit policy under which each new customer is analysed individually for credit worthiness. The analysis of ages of trade debts and loss allowance using the aforementioned approach was disclosed in Note 25.

None of the financial assets of the Group are secured or impaired except as those mentioned in these financial statements. Deposits and other receivables are mostly due from banks and individuals. Impairment on these assets has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. Based on past experience the management believes that no impairment allowance is necessary in respect of these financial assets. There are reasonable grounds to believe that these amounts will be recovered in short course of time.

45.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's liquidity management involves forecasting future cash flow requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Group maintains committed lines of credit to ensure flexibility in funding. In addition, the Group has unavailed facilities of running finances to meet the deficit, if required to meet the short term liquidity commitment.

Exposure to liquidity risk

Following are the contractual maturities of the financial liabilities (based on the remaining period as of the period-end), including interest obligations:

		2025				
	Note	Carrying amount	Contractual cash flows	One year or less	One to two years	Two to five years
(Rupees in '000)						
Financial liabilities						
Long term financings	9	5,226,445	(5,226,445)	(1,065,851)	(956,125)	(3,204,469)
Lease liabilities	10	13,228	(13,228)	(10,804)	(2,424)	-
Trade and other payables	14	985,182	(985,182)	(985,182)	-	-
Accrued markup	15	405,024	(405,024)	(405,024)	-	-
Short term borrowings	16	800,449	(800,449)	(800,449)	-	-
		7,430,328	(7,430,328)	(3,267,310)	(958,549)	(3,204,469)
		2024				
	Note	Carrying amount	Contractual cash flows	One year or less	One to two years	Two to five years
(Rupees in '000)						
Financial liabilities						
Long term financings	9	5,113,769	(5,113,769)	(425,631)	(402,739)	(4,285,399)
Lease liabilities	10	29,804	(29,804)	(16,463)	(13,341)	-
Trade and other payables	14	1,814,402	(1,814,402)	(1,814,402)	-	-
Accrued markup	15	295,173	(295,173)	(295,173)	-	-
Short term borrowings	16	1,115,895	(1,115,895)	(1,115,895)	-	-
		8,369,042	(8,369,042)	(3,667,564)	(416,080)	(4,285,399)

45.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Group's income or the value of its holdings of financial instruments. The Group is exposed to currency risk and interest rate risk.

45.3.1 Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Group. The functional currency of the Group is Pak Rupee. The currency in which these transactions are predominately is in US dollar.

Exposure to currency risk

The Group is mainly exposed to currency risk on import of raw materials and merchandise denominated in US dollar. The Group's exposure to foreign currency risk at the reporting date is as follows:

	2025 (US\$ in '000')	2024	2025 (Rupees in '000)	2024
Trade creditors	471.45	471.45	132,340	131,322

Following significant exchange rates have been applied:

	Average rate		Reporting date Spot rate	
	2025	2024	2025	2024
USD to PKR	280.12	279.53	280.71	278.55

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, loss for the year would have been lower by the amount shown below, as a result of net foreign exchange gain on translation of foreign currency bills payables.

	2025 (Rupees in '000)	2024
Effect on statement of profit or loss	13,234	13,134

The weakening of the PKR by 10% against US Dollar would have had an equal but opposite impact on the profit for the year.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the Group.

45.3.2 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore a change in interest rate at the reporting date would not affect statement of profit or loss.

(b) Mismatch of interest rate sensitive financial assets and financial liabilities

The Group's interest / mark-up and non-interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2025		
	Carrying amount	Interest bearing / variable	Non-interest bearing / fixed rate
	(Rupees in '000)		
Financial assets			
Security deposits	38,343	-	38,343
Trade debts	6,003,064	-	6,003,064
Other receivables	1,200	-	1,200
Cash and bank balances	73,304	37,809	35,495
	6,115,911	37,809	6,078,102
Financial liabilities			
Long term financings	(5,226,445)	(5,226,445)	-
Lease liabilities	(13,228)	(13,228)	-
Employee Retirement Benefit	(20,176)	-	(20,176)
Trade and other payables	(985,182)	-	(985,182)
Accrued markup	(405,024)	(405,024)	-
Short term borrowings	(800,449)	(800,449)	-
	(7,450,504)	(6,445,146)	(1,005,358)
	(1,334,593)	(6,407,337)	5,072,744

	2024		
	Carrying amount	Interest bearing / variable rate	Non-interest bearing / fixed rate
	(Rupees in '000)		
Financial assets			
Security deposits	40,901	-	40,901
Trade debts	5,607,690	-	5,607,690
Other receivables	5,919	-	5,919
Cash and bank balance	50,330	-	50,330
	5,704,840	-	5,704,840
Financial liabilities			
Long term financings	(5,113,769)	(5,113,769)	-
Lease liabilities	(29,804)	(29,804)	-
Trade and other payables	(1,814,402)	-	(1,814,402)
Accrued markup	(295,173)	(295,173)	-
Short term borrowings	(1,115,895)	(1,115,895)	-
	(8,369,042)	(6,554,641)	(1,814,402)
	(2,664,202)	(6,554,641)	3,890,439

45.3.2.1 Effective interest / mark-up rates for the financial assets and financial liabilities are as follows:

Financial liabilities	2025	2024
	Percentage	
Long term financings	9.1% to 18.36%	13.00% to 26.59%
Lease liabilities	9.45% to 25.25%	14.14% to 25.16%
Short term borrowings	11.63% to 16.10%	16.36% to 25.49%

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the period by Rupees 43,691 million (2024: Rupees 44,884 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

45.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). At reporting date the Group did not have financial instruments exposed to other price risk.

45.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Group is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

no

45.4.1 The following table shows the carrying amounts and fair values of financial instruments and non - financial instruments including their levels in the fair value hierarchy

On statement of financial position - Financial instruments

	2025					
	Carrying Amount			Fair value		
	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)					
Financial assets						
Security deposits	38,343	-	38,343	-	-	-
Trade debts	6,003,064	-	6,003,064	-	-	-
Other receivables	1,200	-	1,200	-	-	-
Cash and bank balances	73,304	-	73,304	-	-	-
	<u>6,115,911</u>	<u>-</u>	<u>6,115,911</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities						
Long term financings	-	5,226,445	5,226,445	-	-	-
Lease liabilities	-	13,228	13,228	-	-	-
Trade and other payables	-	985,182	985,182	-	-	-
Accrued markup	-	405,024	405,024	-	-	-
Short term borrowings	-	800,449	800,449	-	-	-
	<u>-</u>	<u>7,430,328</u>	<u>7,430,328</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Carrying Amount			Fair value		
	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3
	2024					
Financial assets						
Security deposits	40,901	-	40,901	-	-	-
Trade debts	5,607,690	-	5,607,690	-	-	-
Other receivables	5,919	-	5,919	-	-	-
Cash and bank balances	50,330	-	50,330	-	-	-
	<u>5,704,840</u>	<u>-</u>	<u>5,704,840</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities						
Long term financings	-	5,113,769	5,113,769	-	-	-
Lease liabilities	-	29,804	29,804	-	-	-
Trade and other payables	-	1,814,402	1,814,402	-	-	-
Accrued markup	-	295,173	295,173	-	-	-
Short term borrowings	-	1,115,895	1,115,895	-	-	-
	<u>-</u>	<u>8,369,042</u>	<u>8,369,042</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

Non-financial assets measured at fair value

Investment property	Date of valuation	December 31, 2025
Property, plant and equipment	Date of valuation	December 31, 2023

Valuation approach and inputs used

The valuation model for land and building is based on price per square meter. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The valuation for plant and machinery is based on present operational condition and age of plant and machinery. The valuation experts used a market-based approach to arrive at the fair value of the Group's properties. The fair valuation of land, building and plant and machinery are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.

The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these financial statements. The fair value are subject to change owing to changes in input.

46 Capital risk management

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio calculated as total debt (current and non-current borrowings) to debt plus equity.

The debt to equity ratios were as follows:

	2025	2024
	(Rupees in '000)	
Total debt	7,532,963	7,167,998
Total equity	10,205,861	10,066,151
Total debt and equity	<u>17,738,824</u>	<u>17,234,149</u>
Debt to equity ratio	<u>42.47%</u>	<u>41.59%</u>

The Group is not subject to externally imposed capital requirements.

47 Segment information

The Group's reportable segments are based on the following revenue streams:

Manufacturing

This represents revenue from manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products.

Trading

The represent revenue earn from carry out distribution/wholesales/retail business of all kinds of electronic appliances, its components and accessories, etc.

47.1 Segment results are as follows:

	2025		
	Manufacturing	Trading	Total
	(Rupees '000')		
Revenue - net	3,666,719	1,112,612	4,779,331
Direct costs	(2,660,465)	(774,563)	(3,435,028)
Administrative and general expenses	(263,158)	(102,439)	(365,597)
Segment profit	<u>743,096</u>	<u>235,610</u>	<u>978,706</u>
Unallocated corporate expenses			
Marketing, selling and distribution costs			(530,312)
Other operating expenses			(497,727)
Other income			<u>1,029,809</u>
Finance costs			980,477
Profit before levies and taxation			<u>(785,568)</u>
Levies			194,909
Profit before taxation			(47,261)
Income tax expense			<u>147,648</u>
Profit after taxation			<u>100,769</u>
			<u>248,417</u>

Waves Corporation Limited and its subsidiaries

	2024		
	Manufacturing	Trading	Total
	(Rupees) '000		
Revenue - net	2,839,879	1,104,879	3,944,758
Direct costs	(2,284,106)	(441,358)	(2,725,464)
Administrative and general expenses	(223,132)	(126,222)	(349,354)
Segment profit	332,641	537,299	869,940
Unallocated corporate expenses			
Marketing, selling and distribution costs			(598,301)
Other operating expenses			(179,561)
Other income			833,711
Finance costs			825,789
Profit before levies and taxation			(707,538)
Levies			218,251
Profit before taxation			(25,936)
Income tax expense			192,315
Profit after taxation			15,758
			208,073

47.2 Transfers between business segments are recorded at cost. There were no inter segment transfers during the year.

47.3 The segment assets and liabilities as at reporting date for the year then ended are as follows:

	December 31, 2025		
	Manufacturing	Trading	Total
	Rupees('000)		
December 31, 2025			
Allocated assets	19,558,424	2,208,954	21,767,378
Allocated liabilities	11,111,219	1,405,313	12,516,532
December 31, 2024			
Allocated assets	18,529,556	2,160,885	20,690,441
Allocated liabilities	10,560,548	1,534,112	12,094,660

48 **Plant capacity and actual production**

	Capacity		Production	
	2025	2024	2025	2024
	Units		Units	
Refrigerators	130,000	125,000	13,175	19,448
Deep Freezer	125,000	115,000	38,031	23,705
Microwave ovens	60,000	60,000	-	-
Air conditioners	60,000	60,000	-	-
Washing Machines	40,000	40,000	-	-
Gas appliances	25,000	25,000	-	-
Televisions	22,500	22,500	-	-
Water dispenser	20,000	20,000	-	-
	482,500	467,500	51,206	43,153

48.1 This underutilization of capacity is due to the parent company's order-based production model, where goods are manufactured based on customer orders received during the period.

49 **Number of employees**

	2025	2024
	(Number of persons)	
Total number of employees as at December 31	845	822
Average number of employees	1,018	980

50 Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. Following significant reclassification has been made:

Reclassified from component		2024 (Rupees in '000)
Finance costs - Bank charges and commission	Administrative and general expenses Brokerage commission	10,898
Trade and other payables - Bills payable	Trade and other payables Trade creditors	131,921
Trade and other payables - Bills payable	Short term borrowings Finance against trust receipt	94,361
Accrued markup Short term borrowings from banking companies	Accrued markup Long term loan from non-banking companies	33,900

51 General

51.1 Figures have been rounded off to the nearest rupees, unless otherwise stated.

52 Date of authorisation of issue

52.1 These consolidated financial statements were authorised for issue by the Board of Directors in their meeting held on

08 APR 2026


 Chief Executive Officer


 Director


 Chief Financial Officer

11.2 Standalone Financial Statements

WAVES CORPORATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2025

Independent Auditor's Report

To the members of Waves Corporation Limited

Report on the audit of the Unconsolidated financial statements

Opinion

We have audited the annexed unconsolidated financial statements of Waves Corporation Limited (the Company), which comprise the statement of financial position as at December 31, 2025, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained, except for the matters described in the Basis for Qualified Opinion section, is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Long-term receivables and accrued profit</p> <p>The Company has long-term receivables amounting to Rupees 2,000 million (including current portion) and accrued profit thereon amounting to Rupees 535.169 million as at the reporting date. Refer to note 17 to the unconsolidated financial statements.</p> <p>The assessment of recoverability of long-term receivables and related accrued profit has been identified as a key audit matter due to the significant judgment and estimation involved in</p>	<p>Our audit procedures among others included obtaining an understanding of the process and controls over recognition and recoverability of long-term receivables and accrued profit relevant to our audit. Further, we:</p> <p>Assessed the reasonableness of management's assumptions by evaluating the financial position and performance of the counterparty;</p>

evaluating the expected recovery, considering the financial position and performance of the counterparty, and the potential impact on the unconsolidated financial statements.

Reviewed underlying agreements and terms governing the receivable and related markup;
Reviewed subsequent receipts and settlements, where applicable, to evaluate recoverability of the outstanding balances.

2. Contingencies

As disclosed in Note 14 to the accompanying unconsolidated financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.

Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:

Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.

Obtained and reviewed detail of the pending matters and discussed the same with the Company's management.

Reviewed the correspondence of the Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.

We have identified contingencies as a significant area of focus for this audit engagement, particularly due to the inherent uncertainty and complexity surrounding pending litigations. This marks our first year of auditing the company, and our examination has revealed the need for enhanced scrutiny in evaluating the adequacy of provisions for potential liabilities arising from legal proceedings.

Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies.

Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters.

Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.

Emphasis of Matter

As fully explained in note 2 and note 14.1.17 to these unconsolidated financial statements, subsequent to completion of the Scheme of Compromises, Arrangement and Reconstruction and transfer of home appliance business by the parent company to the Company, legal and procedural formalities including registration / updation of the name of the subsidiary company with the relevant departments / utility companies could not be completed till the date of issuance of report. Due to certain impediments of such routing of the transactions, the impact of non-compliance, if any, cannot be ascertained at this point of time.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The Engagement partner on the audit resulting in this independent auditors' report is Imran Bashir.

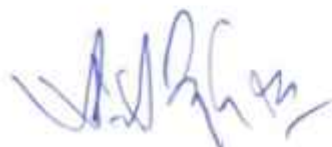
Lahore: **22 APR 2026**
UDIN: AR202510140119RSKLnZ


Rizwan & Company
Chartered Accountants

Waves Corporation Limited
Unconsolidated statement of financial position
As at December 31, 2025

	Note	2025 Rupees in ("000")	2024		Note	2025 Rupees in ("000")	2024
Equity and liabilities				Assets			
Share capital and reserve				Non-current assets			
Share capital	6	2,814,062	2,814,062	Investment property	15	3,852,557	3,775,432
Capital reserves	7	5,030,661	5,030,661	Investment in subsidiaries	16	3,726,682	3,999,211
Loan from director	8	35,000	-	Long term receivables	17	-	2,000,000
Revaluation surplus	9	7,884	115,475			7,579,239	9,774,643
Accumulated profit		686,599	453,180				
		<u>8,574,206</u>	<u>8,413,378</u>				
Non-current liabilities				Current assets			
Long term financings	10	1,719,681	1,960,076	Advances and other receivables	18	575,455	481,741
				Current portion of long term receivables	17	2,000,000	-
Current liabilities				Accrued profit on long term receivables		535,169	244,803
Trade and other payables	11	53,056	77,280	Cash and bank balances	19	39,548	17,932
Accrued mark-up	12	13,159	5,206			3,150,172	744,476
Short term borrowings	13	89,000	50,000				
Current portion of long term liabilities	10	269,000	12,000			<u>10,729,411</u>	<u>10,519,119</u>
Unclaimed dividend		1,179	1,179				
Income tax payable		10,130	-				
		435,524	145,665				
		<u>10,729,411</u>	<u>10,519,119</u>				
Contingencies and commitments							
	14						

The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Waves Corporation Limited
 Unconsolidated statement of profit or loss
 For the year ended December 31, 2025

	Note	2025 Rupees in ("000")	2024
Revenue	20	357,388	331,198
Other income	21	335,839	941,385
		<u>693,227</u>	<u>1,272,583</u>
Administrative and general expenses	22	(39,463)	(45,490)
Other operating expenses	23	(225,837)	(773,279)
		<u>427,927</u>	<u>453,814</u>
Finance costs	24	(208,100)	(396,861)
Profit before taxation and levies		<u>219,827</u>	<u>56,953</u>
Levies		-	4,878
Profit before taxation		<u>219,827</u>	<u>61,831</u>
Income tax	26	(93,999)	-
Profit after taxation		<u>125,828</u>	<u>61,831</u>
		<u>Rupees</u>	
Earnings per share - basic and diluted	28	<u>0.45</u>	<u>0.22</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

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 Chief Executive


 Chief Financial Officer


 Director

Waves Corporation Limited
Unconsolidated statement of comprehensive income
For the year ended December 31, 2025

	2025	2024
	Rupees in ("000")	
Profit after taxation	125,828	61,831
Other comprehensive income		
Items that will never be reclassified to statement of profit or loss	-	-
Items that may be reclassified to statement of profit or loss	-	-
Total comprehensive income for the year	125,828	61,831

The annexed notes from 1 to 37 form an integral part of these financial statements.

Two



Chief Executive



Chief Financial Officer



Director


Waves Corporation Limited
 Unconsolidated statement of changes in equity
 For the year ended December 31, 2025

	Capital reserves			Revenue reserve	Total	
	Share capital	Capital reserves (Note 7)	Loan from director	Revaluation surplus		Accumulated profit
Rupees ("000")						
Balance as at December 31, 2023	2,814,062	5,030,661	-	151,467	355,357	8,351,547
Profit for the year ended December 31, 2024	-	-	-	-	61,831	61,831
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	61,831	61,831
Transfer to retained earnings upon disposal of investment property	-	-	-	(35,992)	35,992	-
Balance as at December 31, 2024	2,814,062	5,030,661	-	115,475	453,180	8,413,378
Profit for the year ended December 31, 2025	-	-	-	-	125,828	125,828
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	125,828	125,828
Transactions with owners of the Company						
Sponsors loan received during the year	-	-	35,000	-	-	35,000
Transfer to retained earnings upon disposal of investment property	-	-	-	(107,591)	107,591	-
Balance as at December 31, 2025	2,814,062	5,030,661	35,000	7,884	686,599	8,574,206

The annexed notes from 1 to 37 form an integral part of these financial statements.

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 Chief Executive


 Chief Financial Officer


 Director

Waves Corporation Limited
Unconsolidated statement of cash flows
For the year ended December 31, 2025

	Note	2025 Rupees in ("000")	2024
Cash flows from operating activities			
Profit before taxation and levies		219,827	56,953
Adjustments for non-cash charges and other items:			
Fair value (gain) on remeasurement of investment property	21	(259,125)	(459,390)
Mark-up on amount due from subsidiary companies	20	(357,388)	(331,198)
Effect of present value discounting of accrued mark up	21	(73,559)	(397,453)
Effect of remeasurement upon restructuring	23	14,518	-
Loss on sale of investment in subsidiary	23	147,682	772,140
Loss on disposal of investment property	23	59,240	-
Unwinding of long term receivables from subsidiary	21	-	(73,062)
Finance costs	24	208,100	396,861
Operating (loss) before working capital changes		(40,705)	(35,149)
Changes in working capital			
(Increase) / decrease in current assets:			
Advances and other receivables		(110,563)	(3,765)
Increase / (decrease) in current liabilities:			
Trade and other payables		(2,123)	(531,345)
Net changes in working capital		(112,686)	(535,110)
Cash (used in) operations		(153,391)	(570,259)
Finance costs paid		(3,000)	(3,490)
Net cash (used in) operating activities		(156,391)	(573,749)
Cash flows from investing activities			
Proceeds from disposal of investment property	15.5	122,760	60,000
Sale proceeds against sale of long term investments		102,747	503,676
Net cash generated from investing activities		225,507	563,676
Cash flows from financing activities			
Short term borrowings	13	39,000	6,143
Long term financings	10.1	(121,500)	-
Loan from directors	8	35,000	-
Net cash (used in) / generated from financing activities		(47,500)	6,143
Net increase / (decrease) in cash and cash equivalents		21,616	(3,930)
Cash and cash equivalents at beginning of the year		17,932	21,862
Cash and cash equivalents at end of the year	19	39,548	17,932

The annexed notes from 1 to 37 form an integral part of these financial statements.

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Chief Executive


Chief Financial Officer


Director

Waves Corporation Limited
Notes to the unconsolidated financial statements
For the year ended December 31, 2025

1 Legal status and nature of business

Waves Corporation Limited (formerly, Waves Singer Pakistan Limited) ("the Company") is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a public Company limited by shares and is quoted on the Pakistan Stock Exchange. Consequent to approval of scheme of arrangement with effect from September 01, 2021, the principal line of business is to manage its investment in subsidiaries which are principally engaged in manufacturing and assembly of domestic consumer appliances along with retailing and trading the same and real estate development. The registered office of the Company is located at 9-K.M, Hanjarwal, Multan Road, Lahore.

The Company is in process of taking appropriate steps to change its principle line of business with Securities and Exchange Commission of Pakistan to align the same with the Scheme of Arrangement as sanctioned by Lahore High Court, Lahore on May 27, 2022.

Geographical locations of the manufacturing facilities of the Company are located at:

- 9-K.M Multan Road, Hanjarwal, Lahore.
- Mouza Mustafabad, 41-K.M., Ferozepur Road, Off 2-K.M. Rohi Nala Road, Tehsil and District Kasur.

2 As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) as sanctioned by the Honorable Lahore High Court, Lahore on May 27, 2022, the Company transferred its manufacturing undertaking to its subsidiary Company, i.e. Waves Home Appliances Limited with effect from effective date, i.e. September 01, 2021.

After transfer of manufacturing undertaking, certain bills, invoices and contracts relating to the company's business activities continued in the name of the Company due to non-completion of legal and procedural formalities. Consequently, the Company reported all such transactions in its sales tax returns on account of utilities, supplies, imports, local stores and spares to subsidiary company, i.e. Waves Home Appliances Limited. The above stated transactions have been recorded to absorb the impact of Sales Tax Input available in sales tax records of the Company, that could have been lost in absence of any legitimate sales tax output available to the Company. The summary of the transactions has been given hereunder:

	2025	2024
	<u>Rupees in ("000")</u>	
Sales	3,666,719	3,170,183
Purchases	2,191,203	1,397,247
Others	87,405	77,685

As at reporting date the Company has transferred all transactions pertaining to advance income tax, advance against imports and sales tax payable appearing in the books of the Company with effect from January 01, 2022 to the subsidiary company, i.e. Waves Home Appliances Limited as these amount should have been transferred to the subsidiary Company pursuant to the scheme of arrangement as stated in note 2 and note 14.1.17 upon transfer of Home Appliance business.

3 Separate financial statements

These financial statements are the separate financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared and presented separately. The Company has the following long term investments:

Name of subsidiary companies	2025	2024
	<u>(Direct holding percentage)</u>	
- Waves Builders and Developers (Private) Limited	100%	100%
- Waves Marketplace Limited	100%	100%
- Waves Home Appliances Limited	50.39%	55.08%

4 Basis of preparation

4.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for freehold land which is carried at revalued amount and investment property which are stated at fair value less impairment losses as referred to in note 5 and 5.1.

4.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee which is also the Company's functional and presentation currency and have been rounded off to the nearest thousand.

4.4 Use of estimates and judgments

The preparation of these unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
- Residual value, market values and useful lives of property, plant and equipment	5
- Investment property	5.1
- Provisions	5.6
- Taxation	5.9
- Impairment of financial and non-financial assets	5.14

4.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2025

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Company's operations and therefore are not detailed in these unconsolidated financial statements.

4.6 Standards, interpretations and amendments to published approved accounting and reporting standards that are not yet effective

There are standards and certain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 01, 2025. These are not expected to have any material impact on the Company's financial reporting and, therefore, have not been presented in these financial statements except for:

4.6.1 New accounting standards and IFRS interpretations that are not yet effective

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or do not have any material effect on the Company's operations except for:

4.6.1.1 Standard or interpretations

Effective date (accounting periods beginning on or after)

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	January 1, 2026
- IFRS 17 - Insurance contracts	January 1, 2026
- IFRS 18 - Presentation and Disclosure in Financial Statements	January 1, 2027
- IFRS S1 - General requirements for disclosure of sustainability-related financial information and IFRS S2 - Climate-related disclosures	January 1, 2027
- IFRS 19 - Subsidiaries without Public Accountability Disclosures	January 1, 2027

5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for the land which is stated at revalued amount less impairment loss, if any, and buildings and plant and machinery which are stated at the revalued amounts less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of an asset.

Land, buildings and plant and machinery are revalued by professionally qualified valuer with sufficient regularity to ensure that the net carrying amount does not differ materially from the fair value (market value). In case of revalued assets, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated at the revalued amount of the asset.

Increase in the carrying amount arising on revaluation of property, plant and equipment is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation is charged to the statement of profit or loss applying the straight-line method whereby the depreciable amount of an asset is depreciated over its estimated useful life. Depreciation on additions is charged from the month in which the asset is available for use and up to the month of disposal.

The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its property, plant and equipment as at balance sheet date has not required any adjustment as its impact is considered insignificant.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. Normal repairs and maintenance are charged to the unconsolidated statement of profit or loss as and when incurred, gains and losses on disposal of assets are taken to the statement of profit or loss.

Capital work in progress

It is stated at cost less impairment losses, if any. It includes expenditure incurred and advances made in respect of assets in the course of their construction and installation. These cost are transferred to relevant assets category as and when assets are available for intended use.

5.1 Investment property

Property, comprising land or a building or part thereof, held to earn rentals or for capital appreciation or both are classified as investment property. These are not held for use in the production or supply of goods or services or

for administrative purposes. The Company's business model i.e. the Company's intentions regarding the use of property is the primary criterion for classification as an investment property.

Investment property is initially measured at cost (including the transaction costs). However when an owner occupied property carried at fair value becomes an investment property because its use has changed, the transfer to the investment property is at fair value on the date of transfer and any balance of surplus on the revaluation of the related assets, on the date of such a transfer continues to be maintained in the surplus account on revaluation of property, plant and equipment. Upon disposal, any surplus previously recorded in the revaluation surplus account is directly transferred to retained earnings and the transfer is not made through the statement of profit or loss. However any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the unconsolidated statement of profit or loss.

The transfer to investment property is made when, and only when, there is a change in use, evidenced by the end of owner occupation. In case of dual purpose properties, the same is classified as investment property, only if the portion could be sold or leased out separately under finance lease.

Subsequent to initial recognition, the Company measures the investment property at fair value at each reporting date and any subsequent change in fair value is recognized in the statement of profit or loss (i.e. in case where the owner occupied property carried at fair value becomes an investment property, the fair value gain to be recognized in the statement of profit or loss would be the difference between the fair value at the time of initial classification as investment property and fair value at the time of subsequent remeasurement). The revaluation of investment properties are carried out by independent professionally qualified valuers on the basis of active market price.

5.2 Employee retirement and other service benefits

Defined benefit plans

The Company operates a funded defined benefit pension scheme for the eligible executives and managers (old Singer Pakistan Limited's employees) and a funded gratuity scheme for eligible employees (old Singer Pakistan Limited's employees) other than field staff. Provisions / contributions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually under the Projected Unit Credit Method.

Amount recognized in statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of the plan assets, if any. All actuarial gains and losses are recognized in 'Other Comprehensive Income' as they occur. Past service cost resulting from the changes to defined benefit plan is immediately recognized in the statement of profit or loss. Current service cost together with net interest cost are also charged to the statement of profit or loss.

Calculation of gratuity and pension require assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

5.3 Investment in subsidiaries

Investments in subsidiaries are measured at cost less impairment, if any, in the Company's separate financial statements. At subsequent reporting date, the recoverable amounts of investments are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly.

Impairment losses are recognized as an expense in the statement of profit or loss. Investments in subsidiaries that have suffered an impairment are reviewed for possible reversal of impairment at each reporting date. Where impairment losses are subsequently reversed, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. Impairment losses recognized in the statement of profit or loss on investments in subsidiaries are reversed through the statement of profit or loss.

The Company is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS 27, 'Separate Financial Statements'.

5.4 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, and deposits held with banks having original maturities of

three months or less and where these are held for the purpose of meeting short term cash commitments rather than for investments or other purposes. Short term running finance facilities availed by the Company are also included as part of cash and cash equivalents for the purpose of cash flow statement.

5.5 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account balances are classified as current liabilities if payment is due within one year or less (or in the normal operating cycles of business if longer). If not, they are classified as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.6 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

The Company accounts for its warranty obligations based on historical trends when the underlying products or services are sold.

5.7 Revenue recognition

5.7.1 Sale of goods

Revenue represents the fair value of consideration received or receivable for sale of goods, net of sales tax, sales returns and related discounts. Revenue is recognized when or as performance obligation is satisfied by transferring control of promised goods or services to a customer and control either transfers overtime or point in time.

5.7.2 Return on investments

Income on investments and profit and loss sharing bank accounts are recognized on accrual basis using the effective interest rate method.

5.7.3 Rental income

Rental income from investment property is recognized as other income on a straight-line basis over the term of lease.

5.7.4 Dividend income

Dividend income and entitlement of bonus shares are recognized when the right to receive is established.

5.8 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

5.9 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity / surplus on revaluation of fixed assets or in other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and Contingent assets.

Securities and Exchange Commission of Pakistan has designated the Company and subsidiaries Waves Home Appliances Limited, Waves Marketplace Limited, Waves Builder and Developers (Private) Limited, (Private) as

a "Group" for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. The Company has opted for Group Taxation under section 59AA of the Income Tax Ordinance, 2001. The Company and subsidiaries Waves Builders and Developers (Private) Limited and Waves Marketplace Limited are part of the Group Taxation. Under Group Taxation, the Company has accounting for the related taxes under standalone taxpayer approach. Under this approach, current and deferred taxes are recognized as if the entity was taxable in its own right.

Current taxation

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred taxation

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the unconsolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

5.10 Inventories

Residential apartments and commercial area available for future sale are classified as stock-in trade. These are carried at the lower of cost and net realizable value. Work-in-process comprises of apartments and commercial area in the process of construction / development. Cost in relation to work-in-process comprises of proportionate cost of land, cost of direct materials, labor and appropriate overheads. Cost in relation to land transferred from investment property is the fair value of the land on the date of transfer and any subsequent expenditures incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

5.11 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in unconsolidated statement of profit or loss in the period in which they are incurred.



5.12 Financial Instruments

5.12.1 Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

5.12.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI), fair value through statement of profit or loss (FVTPL) and in case of an equity instrument it is classified as FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in unconsolidated statement of profit or loss. Any gain or loss on derecognition is recognized in unconsolidated statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances and other receivables.

5.12.3 Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to unconsolidated statement of profit or loss. However, the Company has no such instrument at the reporting date.

5.12.4 Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in unconsolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and these investments are never reclassified to unconsolidated statement of profit or loss. However, the Company has no such instrument at the reporting date.

5.12.5 Fair value through statement of profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in unconsolidated statement of profit or loss. The Company has no such investments at the reporting date.

5.12.6 Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, while the interest expense and foreign exchange gains and losses are recognized in unconsolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

The Company's financial liabilities comprise trade and other payables, long and short term borrowings, accrued markup and dividend payable.

5.12.7 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of

the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in unconsolidated statement of profit or loss.

5.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the unconsolidated financial statements only when the Company has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

5.14 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost,
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities, bank balances and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Two

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company reviews the recoverability of its trade debts, deposits, advances and other receivables to assess amount of loss allowance required on an annual basis. Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Non - Financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in unconsolidated statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

5.15 Foreign currency transactions and translation

Transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit or loss. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences are generally included in the unconsolidated statement of profit or loss.

5.16 Dividends and appropriations to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved. Transfer between reserves approved subsequent to the reporting date is considered as non-adjusting event and is recognized in the unconsolidated financial statements in the period in which such transfers are made.

5.17 Earnings per share

As required under International Accounting Standard 33 - Earnings Per Share; basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The Company is not exposed to the dilutive effect on Earnings per share.



	Note	2025	2024	2025	2024
		(Number of shares)		(Rupees in "000")	
6 Share capital					
6.1 Authorised share capital	6.1.1	<u>300,000,000</u>	300,000,000	<u>3,000,000</u>	3,000,000
6.1.1	The authorized share capital stands at Rupees 3,000 million, divided into 300,000,000 shares of Rupees 10 each, according to the Memorandum and Articles of Association the Company.				
		2025	2024	2025	2024
		(Number of shares)		(Rupees in "000")	
6.2 Issued, subscribed and paid-up capital					
Fully paid-up ordinary shares of Rupees 10 each					
Issued for cash		105,263,597	105,263,597	1,052,637	1,052,637
Issued for consideration other than cash		703,733	703,733	7,037	7,037
Issued as fully paid bonus shares		78,988,759	78,988,759	789,888	789,888
Issued under schemes of amalgamation		96,450,000	96,450,000	964,500	964,500
		<u>281,406,089</u>	<u>281,406,089</u>	<u>2,814,062</u>	<u>2,814,062</u>
6.3 Movement in paid up share capital is as under:					
		2025	2024	2025	2024
		(Number of shares)		(Rupees in "000")	
Balance as at January 01		281,406,089	281,406,089	2,814,062	2,814,062
Shares issued during the year		-	-	-	-
Balance as at December 31		<u>281,406,089</u>	<u>281,406,089</u>	<u>2,814,062</u>	<u>2,814,062</u>
		2025	2024	2025	2024
		(Percentage held)		(Number of shares)	
6.4 Ordinary shares of the Company held by associated persons and undertaking at year end are as follows:					
Haroon Ahmad Khan (CEO)		33.99%	33.28%	95,640,286	93,640,286
Nighat Haroon Khan (Wife of CEO)		6.16%	6.16%	17,332,411	17,332,411
		<u>40.15%</u>	<u>39.44%</u>	<u>112,972,697</u>	<u>110,972,697</u>
6.5 Pursuant to Scheme of Arrangement, approved by Honorable Sindh High Court through its Order dated May 22, 2018, Singer Pakistan Limited was merged and combined with Cool Industries (Private) Limited and Link Wel (Private) Limited. The Company has issued 96,450,000 shares to the shareholders of Cool Industries (Private) Limited and Link Wel (Private) Limited pursuant to the said scheme.					
				2025	2024
				(Rupees in "000")	
7 Capital reserves					
Share premium	7.1			5,025,661	5,025,661
Other capital reserve	7.2			5,000	5,000
				<u>5,030,661</u>	<u>5,030,661</u>
7.1 Share premium					

This represents excess of consideration received / market value of share acquired under scheme of arrangement over the face value of shares issued amounting to Rupees 4,581 million in result of 2017 scheme of arrangement and Rupees 445 million as a result of 2021 scheme of arrangement. This reserve

can only be utilized by the Company for the purpose specified in Section 81(2) of the Companies Act, 2017.

7.2 Other capital reserve

This represents the value assigned to a shop acquired by the company in exchange for a shop on rent in 1993.

	Note	2025 Rupees in ("000")	2024
8 Loan from director			
Loan from sponsoring director	8.1	35,000	-
8.1 Reconciliation of loan from sponsors is as under:			
Balance at beginning of the year		-	-
Obtained during the year		35,000	-
		35,000	-
Repayment during the year		-	-
Balance at the end of year		35,000	-

8.2 This represents interest free loan from sponsoring director of the Company to meet business requirements of the Company. This loan is designated interest free and is repayable at the discretion of the Company. Further, in accordance with Technical Release - 32 Accounting Directors' Loan issued by the Institute of Chartered Accountants of Pakistan, the loan has been classified as part of equity.

	Note	2025 Rupees in ("000")	2024
9 Revaluation surplus			
Revaluation surplus at the beginning of the year		115,475	151,467
Originated during the year		-	-
Surplus realised upon disposal of investment property		(107,591)	(35,992)
Revaluation surplus at the end of the year	9.1	7,884	115,475

9.1 This represents revaluation surplus on land and building held by the Company at the time of classification of land and building as investment property.

	Note	2025 Rupees in ("000")	2024
10 Long term financings			
From banking companies			
National Bank of Pakistan - Term Finance		1,500,000	1,500,000
Sindh Bank Limited - Term Finance		58,596	180,096
	10.1	1,558,596	1,680,096
Deferred mark up on long term financing	10.2	430,085	291,980
		1,988,681	1,972,076
Less: Current maturity presented under current liabilities	10.3	(269,000)	(12,000)
		1,719,681	1,960,076

10.1 Reconciliation of long term financing is as under:

Balance at the beginning of the year		1,680,096	-
Financing obtained during the year		-	-
Transfer from short term borrowing upon restructuring	10.1.1	-	1,680,096
		1,680,096	1,680,096
Repayment made during the year		(121,500)	-
Balance at the end of the year		1,558,596	1,680,096

10.1.1 Long term finances utilized under mark-up arrangements from banking companies comprising are as under:

Bank Name	Facility	2025	2024	Mark-up as per agreement	Tenure and basis of principal repayment	Security
(Rupees in "000")						
National Bank of Pakistan	Restructured Term Finance	1,500,000	1,500,000	3 Months KIBOR plus 1% per annum	<p>This facility was obtained under bridge finance facility. The bank on the request of the Company has restructured the facility for a period of five years with effect from July 01, 2024.</p> <p>As per restructuring arrangement, the remaining loan is payable in 14 unequal quarterly instalments commencing from December 31, 2025.</p> <p>Whereas markup accrued till reporting date and to be accrued in future period shall be paid in lump sum along with last instalment of loan amount.</p>	<p>This facility is secured by way of equitable mortgage of Rupees 2,000 million on project land covering 61 Kanals, 14.5 Marlas owned by in possession of the Company situated at 9-KM Mullan Road, Hanjarwal, Lahore, first ranking hypothecation charge over all present and future current and fixed assets of the Company to the extent of Rupees 66.67 million each and personal guarantees of sponsoring directors of the Company.</p>
Sindh Bank Limited	Restructured Term Finance	58,596	180,095	3 Months Kibor plus 3% per annum	<p>This facility was originally obtained under running finance arrangement to meet working capital requirements of the Company. During the year, the bank, on the request of the Company, has restructured the facility for a period of four years with effect from September 30, 2025.</p> <p>As per restructuring arrangement, the loan amount shall be paid in 12 quarterly instalments commencing from January 01, 2026.</p> <p>Whereas markup accrued up to September 30, 2025 would be paid in 4 quarterly instalments commencing January 01, 2026 after repayment of principal loan amount.</p>	<p>This facility is secured by way of first exclusive charge equitable mortgage charge of Rupees 300 million over immovable properties registered in the name of Company including Shop 1- Suleman Center, Saddar Bazar, Karachi and the following properties held by Waves Home Appliances Limited; Shop 29 - Nawab Manzil, Shahrah e Liaquat Karachi, Shop 5, 6, 15 and 16, Al Amina Complex, Hyderabad Cantt, property bearing Khazra No. 202, Khewet no 144 & 219, Khatooni No. 634 & 635, measuring 08 Kanal 09 Marla situated at Mouza Raikh Serai Chenba, Tehsil Pattoki, District Kasur, property bearing C-403/1, Survey C-428 Marhaba Center, opposite Muhammad Bin Qasim Park Sukkur Ward C, City Taluka, District Sukkar, personal guarantees of sponsoring directors of the Company and post dated cheques as mentioned in repayment schedule on due dates.</p>
		1,558,596	1,680,095			

	Note	2025	2024
		Rupees in ("000")	
10.2 Deferred mark up on long term financing			
Balance at the beginning of the year		291,980	-
Transfer upon restructuring with banking companies		189,574	667,080
Effect of rēmeasurement upon restructuring		14,518	-
Effect of discounting to present value	21	(73,559)	(397,453)
Effect of unwinding of present value	24	7,572	22,353
		<u>430,085</u>	<u>291,980</u>
Repayment made during the year		-	-
Balance at the end of the year		<u>430,085</u>	<u>291,980</u>

10.2.1 Under terms and conditions of restructuring with National Bank of Pakistan; mark up accrued till June 30, 2024 and mark up further accrued / to be accrued shall paid along with final instalment of loan, June 30, 2029. The accrued mark up has been measured at fair value using average market borrowing rate of 3 months KIBOR plus 100 bps per annum. The difference between present value of accrued mark up and carrying value has been recognised in income whereas unwinding of the markup has been included in finance costs.

10.2.2 Under terms and conditions of 2nd restructuring with Sindh Bank Limited; mark up accrued up to September 30, 2025 amounting to Rupees 92.791 million would be paid after repayment of principal amount of loan in four quarterly instalments commencing from January 01, 2029. The accrued mark up has been measured at fair value using average market borrowing rate of 3 months KIBOR plus 300 bps per annum. The difference between present value of accrued mark up and carrying value has been recognised in income whereas unwinding of the markup has been included in finance costs.

10.3 This includes overdue amount of Rupees 12 million payable to National Bank of Pakistan.

	Note	2025	2024
		Rupees in ("000")	
11 Trade and other payables			
Accrued liabilities		2,465	2,627
Due to subsidiary company	11.1	7,158	7,158
Payable against purchase of shares	11.2	-	22,100
Payable to provident fund	11.3	344	6,498
Book overdraft		1,444	1,649
Workers' welfare fund payable	11.4	11,332	6,935
Sales tax payable		1,440	1,440
Other payable	11.5	28,873	28,873
		<u>53,056</u>	<u>77,280</u>

11.1 This represents amount payable to subsidiary company in connection with certain expenses incurred and adjustments made by subsidiary company on behalf of holding company.

11.2 This represents amount payable to sponsoring shareholder of the Company against purchase of 2,000,000 ordinary shares of the Waves Home Appliances Limited. During the year; the payable amount has been reversed against the amount of investment as shares could not be transferred in the name of the Company.

11.3 The Provident Fund of all employees is maintained and administered by the subsidiary company, Waves Home Appliances Limited. Accordingly, the balance of provident fund payable of the Company has been transferred to the subsidiary company and is being settled through a current account maintained with the Company.

Two

	Note	2025 Rupees in ("000")	2024
11.4 Workers' welfare fund payable			
Opening balance		6,935	5,796
Add: Charge for the year	23	4,397	1,139
		<u>11,332</u>	<u>6,935</u>
Less: Payments made during		-	-
Closing balance		<u>11,332</u>	<u>6,935</u>

- 11.5** It includes provisions aggregating to Rupees 27.89 million (2024: Rupees 27.89 million) in respect of probable loss from pending litigation of the Company against Income Tax and Sales Tax Authorities. The above provisions have been made as per the management's best estimate against various demands raised by the authorities that are being contested by the Company at various forums as explained in Note 14.

	Note	2025 Rupees in ("000")	2024
12 Accrued mark-up			
Accrued mark-up on short term borrowings		11,077	5,206
Accrued mark-up on long term borrowings		2,082	-
		<u>13,159</u>	<u>5,206</u>

13 Short term borrowings

The Company has obtained a demand finance facility of Rupees 89 million from Dawood Equities Limited under Repo arrangement, secured against 12.5 million ordinary shares of Waves Home Appliances Limited owned by the Company. The loan remains outstanding as of reporting date, and the Company continues to monitor its obligations and collateral requirements under this arrangement. The facility carries markup rate of 16.00% per annum (2024: 22.50% to 27.00% per annum) and having expiry of three months.

14 Contingencies and commitments

14.1 Contingencies

- 14.1.1** The Company has filed a Constitutional petition before the Honorable Sindh High Court at Karachi, challenging the vires of Rule 58T of the Sales Tax Special Procedure Rules relating to 2% extra sales tax on certain home appliances. This is based on the view that the said vires are not applicable on the Company. The case is pending before the Honorable Sindh High Court. An interim order was received in favor of the Company. The Company is confident that no liability is expected to occur. Amount involved is Rupees 84.80 million as of December 31, 2020 against which no provision has been made as the Company, based on the opinion of legal advisor's advice, is confident of a favorable decision.
- 14.1.2** During the financial year 2014, the Company received a show cause notice from the Federal Board of Revenue (FBR) in respect of short payment of 2% extra sales tax under the Sales Tax Procedures Rules, 2007 as amended by SRO. 896(I)/2013 dated October 04, 2013 and deduction of input tax more than the limit defined under section 8 read with chapter IV of Sales Tax Rules, 2006. The tax authority in the said notice raised a demand of Rupees 19.91 million and Rupees 11.15 million respectively for the period from January 01, 2014 to September 30, 2014. The Company after consultation with its tax advisors has replied and submitted explanation with the tax authorities along with revised workings for the apportionment of input tax which in the case of the Company for the above period was Rupees 0.52 million. Since then, no further action has been initiated by the tax authorities.
- 14.1.3** The Company had earlier received a sales tax recovery order from the sales tax authorities amounting to Rupees 195.63 million, for the financial year ended December 31, 2010 against which the Company had filed an appeal with the Commissioner Inland Revenue - Appeals (CIR-A). CIR-A had deleted one item while the remaining matters were set aside. Moreover, the management, based on consultation with its tax advisor, is of the view that matter would be decided in favor of the Company. However, CIR has filed an appeal against Company on the matters of SRO 647/2007 regarding input tax adjustments against 90% output tax.

and payment of sales tax on instalment sales at the time of receipt of instalment instead at the time when instalment sales are actually being made for which no hearing has yet taken place. Amount involved is Rupees 171.71 million. However, based on advice of legal consultant, management is of the view that no potential liability is expected to occur.

- 14.1.4** Income tax assessments of the Company have been finalized up to and including the tax year 2007. The Company had applied for income tax refund for the tax years from 2006 to 2011. Income tax refund orders were earlier determined for the tax years 2009, 2010 and 2011. Income tax refund was released for the tax year 2009. However, the Additional Commissioner Inland Revenue (ACIR) amended the deemed assessed orders under section 122 (5A) of the Income Tax Ordinance, 2001 for the tax years from 2009 to 2012 and raised additional income tax demand of Rupees 19.98 million. However, the Company had filed an application for the rectification of orders after which the net tax additional demand was reduced to Rupees 2.02 million (after the adjustment of the refund of related years) under section 221 of the Income Tax Ordinance, 2001. Appeals have been filed to Commissioner Inland Revenue - Appeals (CIR-A) against these orders and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.
- 14.1.5** The Company has received appellate orders for the tax years from 2009 to 2012, dated June 29, 2015, where the CIR-A has set aside certain issues for reassessment, deleted certain items and maintained certain disallowances. The financial impact of the items set aside for reassessment and continued disallowances amount to Rupees 43.72 million. Appeal has been filed with Appellate Tribunal Inland Revenue (ATIR) against these issues. The Company based on the merits of matters is of the view that ultimate decisions are expected in its favor and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.
- 14.1.6** The Finance Act, 2017 introduced a tax under section 5A of the Income Tax ordinance, 2001 on every public Company other than a scheduled bank or Modaraba, that derives profit for the tax year and does not distribute at least 40% of the after tax profit within six months of the end of said tax year through cash or bonus issue. Under the earlier section tax was not mandatorily leviable in case the Company's reserves were not in excess of the paid up capital (which was the case with the Company as it had accumulated losses). Provision for the above referred tax amounting to Rupees 9.35 million has not been paid as the Company's management is of the view that the amendment was made after the closure of Company's financial year ended December 31, 2016 and for certain other legal reasons. The Company has filed a Constitutional petition before the Honorable Sindh High Court at Karachi challenging the vires of Section 5A of the Income Tax Ordinance, 2001 and a stay order has been granted against any coercive action against the Company under the newly inserted Section 5A. The Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.
- 14.1.7** Deputy Commissioner Inland Revenue (DCIR), vide order dated April 30, 2014, under Section 161(1) and Section 205(3) of the Income Tax Ordinance, 2001 for the tax year 2014 raised a tax demand of Rupees 0.83 million for non-deduction of advance income tax for the period from November 01, 2013 to April 30, 2014 under Section 236(G) and Section 236(H) of the aforesaid Ordinance. The Company has filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) which was remanded back to DCIR. The Company filed an appeal against the order of CIR-A in Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in unconsolidated financial statements in respect of the above balance.
- 14.1.8** During the financial year 2014, the Company received a notice by Commissioner Inland Revenue - Zone I for selection of audit under section 214C for the tax year 2012. The Company filed an appeal against the said notice before Honorable Lahore High Court which was decided against the Company and audit proceedings were initiated. The Deputy Commissioner Inland Revenue issued an amended assessment order under section 122(1) and 122(5) through which certain additions were made and demand order was raised amounting to Rupees 48.10 million. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), who vide his Order No. 9 dated April 04, 2019 deleted certain additions. Being aggrieved with the order of CIR-A the Company filed an appeal before the Honorable Appellate Tribunal Inland Revenue, which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.

- 14.1.9** During the financial year 2014, the Assistant Commissioner Inland Revenue imposed penalty vide order dated April 27, 2014 under section 182(1) of the Income Tax Ordinance, 2001 amounting Rupees 0.91 million for the tax year 2013 for the late filling of income tax return under section 114 of the Income Tax Ordinance, 2001. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) against the above order. The CIR-A decided the matter against the Company vide order dated March 25, 2014. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.
- 14.1.10** During the financial year 2015, the Additional Commissioner Inland Revenue (ACIR), vide order dated April 30, 2015, under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2010, raised an amended demand of Rupees 7.85 million after disallowing certain expenses amounting to Rupees 29.15 million. The Company filed an appeal for the rectification of order before Commissioner Inland Revenue - Appeals (CIR-A) who vide its order dated December 30, 2015, remanded the case back to the ACIR and directed the recalculation and apportionment of expenses as per under section 67 read with rule 13 of Income Tax Rules 2002 which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.
- 14.1.11** During the financial year 2017, the Additional Commissioner Inland Revenue (ACIR) amended the deemed assessed return vide its order dated June 19, 2017 under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2011. The ACIR disallowed certain expenses amounting to Rupees 9.58 million and raised the additional income tax demand of Rupees 1.02 million. The Company filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A). The CIR-A vide order No. 19 dated September 21, 2020 decided the appeal partially in favor of the Company by deleting the additions amounting to Rupees 4.62 million under the head financial charges and confirmed the remaining addition. Furthermore, The Commissioner Inland Revenue - Appeals (CIR-A) directed the ACIR to verify the contention regarding refund adjustment of Rupees 1.02 million if still available to the Company for adjustment in the current year. Being aggrieved with of the CIR-A order, the Company preferred an appeal before the Honorable Appellate Tribunal Inland Revenue, Lahore, which is still pending for adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.
- 14.1.12** During the financial year 2012, the Deputy Commissioner Inland Revenue (DCIR) issued an order dated April 26, 2012 under Rule 2(3A) of the Sales Tax Special Procedures (Withholding) Rules, 2007, citing the company's non-deduction and non-payment of withholding sales tax on advertisement services for the tax period 2009-10, assessing a total amount of Rupees. 9.64 million (including withholding tax of Rupees 9.34 million and default surcharge). During adjudication, the company provided evidence that Rupees 6.31 million had already been deposited by service providers, but the remaining tax of Rupees 3.03 million could not be verified due to insufficient documentation. The company has been ordered to deposit the unverified amount along with applicable default surcharge and penalty under Section 11(2), 36(2), 34, and 33(5) of the Sales Tax Act, 1990. The Company being aggrieved, filed the appeal before Commissioner Inland Revenue - Appeals (CIR-A) who upheld the assessment order issued by DCIR. Subsequently, company appealed before the Appellate Tribunal of Inland Revenue which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.
- 14.1.13** During the financial year 2018, the Company received a show cause notice issued by Deputy Commissioner Inland Revenue under section 161 for the tax year 2017 on non deduction of withholding tax amounting to Rupees 6.03 million on payments against purchase of plant and machinery, packing material and other miscellaneous payments. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) where the case was remanded back to the Department. Being aggrieved, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.
- 14.1.14** During the financial year 2018, the Taxation Officer, after conducting audit under Section 177 of the Income Tax Ordinance, 2001 (the Ordinance) for the tax year 2014, passed an amended assessment order under Section 221(1), read with Section 122 (1) and Section 122 (5) of the Ordinance raising tax demands of Rupees 25.29 million alleging that the Company suppressed its sales and adjusted inadmissible expenses. Being aggrieved, the Company has filed appeal before Commissioner Inland Revenue - Appeals (CIR-A). CIR-A vide order, deleted certain additions amounting to Rupees 60 million and the rest of the additions

amounting to Rupees 26 million were confirmed.

Hence there is no outstanding amount payable against the Company. The Department has preferred an appeal before Income Tax Appellate Tribunal (ITAT) which is pending for adjudication and the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.

14.1.15 During the financial year 2016, the Deputy Commissioner Inland Revenue raised an order under section 161/205 of the Income Tax Ordinance, 2001 for non-deduction of tax amounting Rupees 6.45 million and Rupees 3.76 million for tax years 2009 and 2010 respectively. The Company filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) which was decided against the Company. The Company filed an appeal against the order of CIR-A in Appellate Tribunal Inland Revenue (ATIR), which is pending for adjudication. However, adequate provision is held in the unconsolidated financial statements in respect of the above balance.

14.1.16 Deputy Commissioner of Inland Revenue (DCIR) imposed a penalty under Section 182(1)(1A) of the Income Tax Ordinance, 2001, amounting to Rupees 1.48 million for the periods from July 2015 to February 2016 owing to the late filing of monthly withholding statements under Section 165 of the Income Tax Ordinance, 2001. The Company contested the penalty and filed an appeal before the Commissioner of Inland Revenue (Appeals) (CIR - A). The CIR(A) remanded back the case to DCIR to impose a reduced penalty of Rupees 10,000 for each month, considering that the delay in filing of withholding statements was not intentional and no revenue loss was involved.

Subsequently, the Department filed an appeal before the Appellate Tribunal of Inland Revenue (ATIR) against the decision of the CIR(A). This appeal is currently pending for a hearing. Given the precedent set by the Honorable Lahore High Court, Lahore and the learned Tribunal, as well as the fact that the delay was unintentional and no revenue loss occurred, the Company is hopeful that, as per advice of the legal counsel, the matter shall be decided in favor of the Company.

14.1.17 Based on the legal opinion, due to the Scheme of Compromises, Arrangement and Reconstruction (the Scheme); the routing of transactions in order to pass on the impact of sales tax to subsidiary company is in line with the Scheme sanctioned by the Honorable Court. Therefore, there will be no non-compliance at this point of time, however, at any stage if there will be negative inference; then the same will be dealt accordingly.

14.1.18 The Company previously adjusted business losses of the subsidiary company amounting to Rupees 324 million under the Group Relief provisions of Section 59B of the Income Tax Ordinance, 2001. During the current year, a marginal variation in the one of the subsidiary company's shareholding occurred due to strategic arrangements to support the Company's funding requirements. Management, supported by technical opinions from tax and legal consultants, considers this variation temporary and maintains that effective economic control remains uninterrupted through Board representation and financial support.

It is the Company's technical position that the recapture mechanism under Section 59B(5) does not mandate a retrospective reversal of all prior benefits, as each year's loss surrender triggers an independent five-year maturation period. Management believes that benefits from earlier years have vested upon substantial compliance with their respective cycles and that any tax impact should be confined to the period of variation, especially given the absence of explicit statutory language requiring a cumulative clawback for a de minimis breach where economic substance remains intact.

However, on a basis of accounting prudence and in view of the literal interpretation traditionally adopted by the tax authorities, a provision of Rupees 93.998 million has been recognized in these financial statements. This amount represents the potential tax impact as calculated under Section 59B and is intended to be offered by the Parent Company in its tax return for the year 2026. This recognition is without prejudice to the Company's right to contest the quantum of any reassessment. Any difference between the provisioned amount and the final liability determined by the Federal Board of Revenue will be adjusted in the appropriate period upon the advice of the Company's tax consultants.

14.2 Commitments

14.2.1 As at the reporting date, the Company has no sanctioned credit facilities (funded or unfunded) from commercial banks (2024: Nil).

14.2.2 There are no other material commitments to report as at reporting date (2024: Nil).

Two

	Note	2025 Rupees in ("000")	2024
15 Investment property			
Balance as at January 01		3,775,432	250,000
Transferred from inventories		-	3,126,042
Disposed off during the period	15.2	(182,000)	(60,000)
		<u>3,593,432</u>	<u>3,316,042</u>
Fair value gain	21	259,125	459,390
Balance as at December 31	15.3	<u>3,852,557</u>	<u>3,775,432</u>

15.1 The Company has rented out the owned shops to its subsidiary company (Waves Marketplace Limited) and rental income of Rupees 1.020 million (2024: Rupees 2.480 million) has been recognized on the above investment properties during the year. Agreements for the rental arrangements are valid up to 1 year and carries renewable option.

15.2 During the year, the Company has disposed off an investment property at Rupees 122.760 million against its carrying value of Rupees 182 million. As a result, a revaluation surplus of Rupees 107.591 million has been transferred to retained earnings upon disposal of investment property.

Revaluation surplus of Rupees 7.884 million as of December 31, 2025 (2024: Rupees 115.475 million) pertaining to remaining properties continues to be maintained in "Revaluation surplus" in note 9 to these unconsolidated financial statements.

15.3 As at reporting date; investment property having fair value of Rupees 3,852.557 million (2024: Rupees 3,775.432 million) whereas forced sale value of these properties amounting to Rupees 3,327.373 million (2024: Rupees 3,209.117 million). Fair value gain of Rupees 259.125 million (2024: Rupees 459.390 million) based on the fair market value of investment property determined on December 31, 2025 have been recognised in these unconsolidated statement of profit or loss as referred to in note 21.

The fair value of investment properties as of December 31, 2025 has been determined by an external independent property valuer Unicorn International Surveyors based on independent inquiries from active local realtors, recent experience in the location and the records of the valuer. The fair value measurement of the investment property had been categorized as a level 3 fair value based on the input to the valuation technique used.

15.4 Particulars of immovable property in the name of Company are as follows:

Location	Usage of immovable property	Total area (Marias)	Covered area (Square Feet)
Shop No.I, Sub-Plot Nos. Sb-3/34 & 35 of Plot Nos.34 & 35, Ground Floor, Suleman Centre, Daud Pota Road, Saddar, Karachi.	Held for capital appreciation and generating rental income	1.29	350
9-KM, Hanjarwal, Multan Road, Lahore.	Held for capital appreciation	1,238.62	340,134

15.5 Particulars of investment property disposed off during the year is as under:

	2025 Rupees in ("000")
Items having aggregate book value of Rupees 500,000 or more	
Net book value	<u>182,000</u>

Two

2025
Rupees in
("000")

Sale proceeds	122,760
Loss on disposal	59,240
Relationship	Independent
Particulars of purchaser	Ms. Ghulam Zohra
Mode of disposal	Negotiation

15.6 This represents carrying value of the land only whereas corresponding carrying value of building is recorded separately in the books of Waves Home Appliances Limited pursuant to scheme of arrangement.

		Note	2025 Rupees in ("000")	2024
16	Investment in subsidiaries			
	Waves Marketplace limited			
	50,000,000 (2024: 50,000,000) fully paid ordinary shares of Rupees 10 each	16.1	500,000	500,000
	Equity held: 100% (2024: 100%)			
	Waves Builders and Developers (Private) Limited			
	100,000 (2024: 100,000) fully paid ordinary shares of Rupees 10 each	16.2	1,000	1,000
	Equity held: 100% (2024: 100%)			
	Waves Home Appliance Limited			
	135,000,500 (2024: 147,564,300) fully paid ordinary shares of Rupees 10 each	16.3 & 16.4	3,225,682	3,498,211
	Equity held: 50.39% (2024: 55.08%)			
			3,726,682	3,999,211

16.1 Waves Marketplace Limited, a wholly owned subsidiary, was incorporated on September 09, 2016. The principal activity of the subsidiary Company is to carry out distribution / wholesales and retail business of all kinds of electronic appliances, its components and accessories etc. The registered office of the subsidiary Company is located at 9 KM Multan Road, Hanjarwal, Lahore.

16.2 Waves Builders and Developers (Private) Limited is a private limited company which was incorporated on April 10, 2017 under the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017). The registered office of the company is located at 15/3 A, Model Town, Lahore. The principal activity of the company is real estate development.

16.3 Waves Home Appliances Limited was incorporated in Pakistan on November 27, 1989 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 9-KM Multan Road, Hanjarwal, Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company is manufacturing, trading, import and export of home appliances.

16.4 During the year, the Company has divested its 4.69% equity investment in Waves Home Appliances Limited, comprising 12.564 million shares. As a result, a loss on disposal of Rupees 147.682 million has been recognised in statement of profit or loss.



The management understands that share price of the subsidiary company on Pakistan Stock Exchange is lower than its realistic fair value determined on the basis of future projections of the subsidiary company. Moreover, market value will revert to its actual fair value as this reduction in price is temporary and does not reflect actual fair value of the shares of the subsidiary company. Accordingly, the management is of the view, on the basis of future financial projections, the fair value of investment is far more than the carrying value and no impairment against the carrying value of investment is required to be made.

- 16.5** The Company has obtained a financing facility of Rupees 89.00 million from Dawood Equities Limited against pledge of 12.500 million ordinary shares of Waves Home Appliances Limited owned and held by the Company. The Company has also pledged 3.500 million ordinary shares and 81.5 million ordinary shares of Waves Home Appliances Limited owned and held by the Company with M/S Adam Usman Securities (Private) Limited for obtaining credit facility and Digital Custodian (Private) Limited under purchase of goods arrangements through Elahi Group of Companies respectively.

	Note	2025 Rupees in ("000")	2024
17 Long term receivables			
Receivable from a subsidiary company		2,000,000	2,000,000
Less: Current portion		(2,000,000)	-
		<u>-</u>	<u>2,000,000</u>

17.1 Movement of long term receivables

Carrying value as at January 01		2,000,000	1,926,938
Unwinding of long term receivables to subsidiary	17.3	-	73,062
Carrying value as at December 31		<u>2,000,000</u>	<u>2,000,000</u>

- 17.2** As per scheme of arrangement for the demerger of Waves Home Appliances Limited (the "WHAL"), the Company is entitled to receive Rupees 2,000 million from the WHAL within two years of the sanction of the scheme, i.e. May 27, 2024. In prior year, the shareholders of the Company in their meeting held on April 29, 2024 has extended recovery of above long term receivables for a period of two years, i.e. May 27, 2026 subject to chargeability of interest rate of 0.1% above average borrowing costs of the Company or 3-month KIBOR for relevant period whichever is higher plus risk premium ranging from 0.7% to 1.5%. The amount has been transferred to current portion under current assets on account of maturity having less than twelve months as at reporting date.

- 17.3** This represents the unwinding of long-term receivables discounted at the Company's average borrowing cost.

	2025 Rupees in ("000")	2024
17.4 Receivable from a subsidiary company is as under:		
Gross due amount	<u>2,000,000</u>	<u>2,000,000</u>
Amount not past due		
Past due amount	2,000,000	2,000,000
Provision	-	-
Reversal of provision	-	-
Written off	-	-
Net amount due	<u>2,000,000</u>	<u>2,000,000</u>
Maximum amount outstanding at any time during the year	<u>2,000,000</u>	<u>2,000,000</u>

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Waves Corporation Limited

	Note	2025 Rupees in ("000")	2024
17.5 Age analysis of amount due from related party			
Amount not past due		2,000,000	2,000,000
Amount past due:			
1-30		-	-
31-60 days		-	-
61-90 days		-	-
91-365 days		-	-
Over 365 days		-	-
Total gross amount due		<u>2,000,000</u>	<u>2,000,000</u>
18 Advances and other receivables			
Due from subsidiary companies	18.1	575,403	464,187
Due from broker		52	17,554
		<u>575,455</u>	<u>481,741</u>
18.1 Due from subsidiary companies			
Waves Marketplace Limited	18.2	201,395	164,715
Accrued markup	18.3	365,566	298,546
		<u>566,961</u>	<u>463,261</u>
Waves Home Appliances Limited	18.4	8,442	926
		<u>575,403</u>	<u>464,187</u>
18.2 Due from Waves Marketplace Limited			
Receivable as at January 01		164,715	158,730
Receivable against management fee		-	3,480
Receivable against provisions of funds		35,000	-
Receivable against rental income		1,680	2,505
Receivable as at December 31	18.4.1	<u>201,395</u>	<u>164,715</u>
18.3 Accrued markup			
Accrued markup as at January 01		298,546	212,149
Markup for the year		67,020	86,397
Accrued markup as at December 31		<u>365,566</u>	<u>298,546</u>
18.4 Due from Waves Home Appliances Limited			
Receivable as at January 01		926	-
Receivable against management fee		-	6,960
		<u>926</u>	<u>6,960</u>
Amount advanced / adjusted / settled during the year		7,516	(6,034)
Receivable as at December 31	18.4.1	<u>8,442</u>	<u>926</u>

18.4.1 This represents amounts due on account of expenses incurred on behalf of Waves Marketplace Limited and other receivables. Mark-up has been charged at not less than average borrowing costs of the Company.



Waves Home Appliances Limited		Waves Marketplace Limited	
2025	2024	2025	2024
Rupees in ("000")		Rupees in ("000")	

18.4.2 Details of amount due from related parties as at reporting date was as under:

Gross amount due	8,442	926	566,961	463,261
Past due amount	-	-	549,881	372,574
Amount not past due	8,442	926	17,080	90,687
Provision for doubtful receivables	-	-	-	-
Reversal of provision of doubtful receivables	-	-	-	-
Amount written off	-	-	-	-
Net amount	8,442	926	566,961	463,261
Maximum amount outstanding at any time during the year	146,416	40,488	566,961	463,261

Waves Home Appliances Limited		Waves Marketplace Limited	
2025	2024	2025	2024
Rupees in ("000")		Rupees in ("000")	

18.4.3 Age analysis of amount due from related parties:

Amount not past due	8,442	926	17,080	90,687
Amount past due				
1-30 days	-	-	-	-
31-60 days	-	-	17,743	-
61-90 days	-	-	-	-
91-365 days	-	-	159,564	6,895
365 days	-	-	372,574	365,679
Total	8,442	926	566,961	463,261

19 Cash and bank balances

	Note	2025	2024
		Rupees in ("000")	
Cash in hand		-	-
Cash at bank			
- Current accounts		11,843	11,657
- Saving accounts	19.1	27,705	6,275
		39,548	17,932
		39,548	17,932

19.1 These carry profits at the rates ranging from 8.00% to 10.09% (2024: 19% to 20.5%) per annum.

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Waves Corporation Limited

		2025	2024
		Rupees in ("000")	
20	Revenue		
	Income from subsidiaries	<u>357,388</u>	<u>331,198</u>
21	Other income		
	<i>Income from financial instruments</i>		
	Unwinding of long term receivables from subsidiary	-	73,062
	Profit on deposits	1,475	-
	Effect of present value discounting of accrued mark up	73,559	397,453
	<i>Income from non-financial instruments</i>		
	Management fee	-	9,000
	Fair value gain on investment property	259,125	459,390
	Rental income	1,680	2,480
		<u>335,839</u>	<u>941,385</u>
21.1	This represents mark-up charged on the amount due from the subsidiary company at not less than average borrowing costs of the Company.		
		2025	2024
		Rupees in ("000")	
22	Administrative and general expenses		
	Salaries, wages and other benefits	33,355	40,551
	Legal and professional	2,224	1,224
	Fees and subscription	1,055	1,345
	Rent, rates and taxes	548	-
	Auditors' remuneration	2,281	2,370
		<u>39,463</u>	<u>45,490</u>
22.1	Salaries, wages and other benefits include staff retirement benefits of Rupees 2.065 million (2024: Rupees 4.545 million).		
		2025	2024
		Rupees in ("000")	
22.2	Auditors' remuneration		
	Statutory audit fee	938	1,200
	Audit fee for consolidated financial statements	300	300
	Fee for the review of interim financial information	513	400
	Review of statement of compliance and other certifications	430	350
	Out of pocket expenses	100	120
		<u>2,281</u>	<u>2,370</u>
23	Other operating expenses		
	Loss on disposal of investment in subsidiary	147,682	772,140
	Effect of remeasurement upon restructuring	14,518	-
	Loss on disposal of investment property	59,240	-
	Workers' welfare fund	4,397	1,139
		<u>225,837</u>	<u>773,279</u>

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		2025	2024
		Rupees in ("000")	
24	Finance costs		
	Markup on:		
	- Long term financing	191,657	365,812
	- Short term borrowings	8,871	8,696
	Effect of unwinding of accrued mark up	7,572	22,353
		<u>208,100</u>	<u>396,861</u>
25	Levies		
	Minimum tax	-	-
	Prior period	-	(4,878)
		<u>-</u>	<u>(4,878)</u>
25.1	The Company's provision for taxation is based on its taxable income under the normal tax regime in accordance with the provisions of the Income Tax Ordinance, 2001. This represents tax charge computed on taxable income along with minimum tax, where applicable, under the Income Tax Ordinance, 2001. In the prior year, the Company's provision for taxation was based on the consolidated results of the Group under Sections 59AA and 59B of the Income Tax Ordinance, 2001. The taxation charge also represents levy in terms of requirements of interpretation issued by IFRIC 21 / IAS 37.		
26	Income tax	2025	2024
		Rupees in ("000")	
	Current tax		
	- For the year	-	-
	- Prior years	93,999	-
		<u>93,999</u>	<u>-</u>
	Deferred tax	-	-
		<u>93,999</u>	<u>-</u>
26.1	The Company's provision for taxation is based on its taxable income under the normal tax regime in accordance with the provisions of the Income Tax Ordinance, 2001. Current year's provision for taxation has been charged on taxable income by applying income tax rates applicable to companies. This also represents minimum tax on sale of goods under Section 113 of the Income Tax Ordinance, 2001, where applicable. In the prior year, the Company's provision for taxation was based on the consolidated results of the Group under Sections 59AA and 59B of the Income Tax Ordinance, 2001. The amount has been classified as levy in terms of requirements of interpretation issued by IFRIC 21 / IAS 37.		
27	Disclosure requirement for companies not engaged in shariah non-permissible business activities		
	Securities & Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1)/2024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities as their core business activities.		
27.1	Shariah screening disclosures by entity listed on Islamic index	2025	2024
		Rupees in ("000")	
	Shariah compliant bank deposits / bank balances	39,548	17,932
	Profit earned from shariah compliant bank deposits	1,475	-

27.2 Relationship with shariah compliant financial institutes:

Bank balances - deposits with banks	Al-Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited The Bank of Khyber The Bank of Punjab Faysal Bank Limited ABHI Microfinance Bank Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan Bank Makramah Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited Bank AL-Habib Limited
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28 Earnings per share - basic and diluted**28.1 Basic earnings per share**

The calculation of earnings per share (basic and diluted) is based on earnings attributable to the owners of ordinary shares of the Company.

	<u>2025</u>	<u>2024</u>
Profit after taxation Rupees in "000"	<u>125,828</u>	<u>61,831</u>
Weighted average number of ordinary shares Number in "000"	<u>281,406</u>	<u>281,406</u>
Earnings per share - basic and diluted in Rupees	<u>0.45</u>	<u>0.22</u>

28.2 Diluted earnings per share

No figures for diluted earnings per share have been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

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29 Reconciliation of movements of liabilities and equity to cash flows arising from financing activities:

2025						
Liabilities			Equity			
Long term financings	Short term borrowings	Mark-up on borrowings	Unclaimed dividend	Share capital	Loan from director	Capital reserves (Note 7)
1,972,076	50,000	5,206	1,179	2,814,062	-	5,030,661
Rupees in ("000")						
-	39,000	-	-	-	-	-
(121,500)	-	-	-	-	35,000	-
-	-	(3,000)	-	-	-	-
(121,500)	39,000	(3,000)	-	-	35,000	-
138,105	-	(138,105)	-	-	-	-
-	-	149,058	-	-	-	-
138,105	-	10,953	-	-	-	-
1,988,681	89,000	13,159	1,179	2,814,062	35,000	5,030,661
9,971,742						

Balance as at January 01

9,873,184

Cash flows

Short term borrowings obtained
Additions / (repayments)
Finance costs paid

39,000	-	-	-	-	-	-
-	-	-	-	-	35,000	-
-	-	(3,000)	-	-	-	-
(121,500)	39,000	(3,000)	-	-	35,000	-
138,105	-	(138,105)	-	-	-	-
-	-	149,058	-	-	-	-
138,105	-	10,953	-	-	-	-
1,988,681	89,000	13,159	1,179	2,814,062	35,000	5,030,661
9,971,742						

Non-cash changes

Deferred mark up on long term financing
Finance cost net of receipts

138,105	-	(138,105)	-	-	-	-
-	-	149,058	-	-	-	-
138,105	-	10,953	-	-	-	-
1,988,681	89,000	13,159	1,179	2,814,062	35,000	5,030,661
9,971,742						

Balance as at December 31

9,871,122

2024						
Liabilities			Equity			
Long term financings	Short term borrowings	Mark-up on borrowings	Unclaimed dividend	Share capital	Loan from director	Capital reserves (Note 7)
-	1,723,953	301,267	1,179	2,814,062	-	5,030,661
Rupees in ("000")						
-	6,143	-	-	-	-	-
-	-	(3,490)	-	-	-	-
-	6,143	(3,490)	-	-	-	-
1,680,096	(1,680,096)	-	-	-	-	-
291,980	-	(291,980)	-	-	-	-
-	-	(591)	-	-	-	-
1,972,076	(1,680,096)	(292,571)	-	-	-	-
1,972,076	50,000	5,206	1,179	2,814,062	-	5,030,661
9,873,184						

Balance as at January 01

9,871,122

Cash flows

Short term borrowings repaid net of receipts
Finance cost paid

6,143	-	-	-	-	-	-
-	-	(3,490)	-	-	-	-
-	6,143	(3,490)	-	-	-	-
1,680,096	(1,680,096)	-	-	-	-	-
291,980	-	(291,980)	-	-	-	-
-	-	(591)	-	-	-	-
1,972,076	(1,680,096)	(292,571)	-	-	-	-
1,972,076	50,000	5,206	1,179	2,814,062	-	5,030,661
9,873,184						

Non-cash changes

Transfer from short term borrowing upon restructuring
Deferred mark up on long term financing
Finance cost net of receipts

1,680,096	(1,680,096)	-	-	-	-	-
291,980	-	(291,980)	-	-	-	-
-	-	(591)	-	-	-	-
1,972,076	(1,680,096)	(292,571)	-	-	-	-
1,972,076	50,000	5,206	1,179	2,814,062	-	5,030,661
9,873,184						

Balance as at December 31

9,873,184

Two

30 Provident fund

- 30.1** The Company operates approved contributory provident fund for all the employees eligible under the scheme. Till 2018, the Company was operating two separate provident funds in the name of Singer Pakistan Limited and Cool Industries (Private) Limited but with effect from January 01, 2019, the Company has merged its funds. As disclosed in note 11.3 the Provident Fund is maintained and administered by the subsidiary company, Waves Home Appliances Limited, and the balance of provident fund payable has been transferred to the subsidiary company.
- 30.2** The Company has not complied with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated thereunder.

31 Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the unconsolidated financial statements in respect of remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Director		Executives	
	2025	2024	2025	2024	2025	2024
Rupees ("000")						
Managerial remuneration	11,550	12,600	3,750	4,500	8,087	12,036
Contribution to provident fund	1,050	1,050	341	375	616	796
House rent allowance	-	-	-	-	3,010	3,914
Medical allowance	1,260	1,260	409	450	752	979
	<u>13,860</u>	<u>14,910</u>	<u>4,500</u>	<u>5,325</u>	<u>12,465</u>	<u>17,725</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>6</u>

- 31.1** In addition to the above, Directors and certain Executives are provided with free use of the Company maintained vehicles, club facility and certain items of furniture and fixtures in accordance with their entitlement. The Company also makes contributions based on actuarial calculations to gratuity and pension funds.
- 31.2** No fee was charged or paid to the non-executive directors for attending meetings of the Board or its committees during the current year. (2024: Nil)

32 Related party transactions and balances

- 32.1** The related parties comprise the companies under common control, the companies where key management personnel have control, the directors of the Company and the key management personnel of the Company. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

<u>Name of related party</u>	<u>Relationship</u>	<u>Number of shares held</u>
Waves Home Appliances Limited	Subsidiary	NA
Waves Marketplace Limited	Wholly owned subsidiary	NA
Waves Builders and Developers (Private) Limited	Wholly owned subsidiary	NA
Waves Singer Pakistan Group Employees Provident Fund	Associated entity	NA
Haroon Ahmad Khan	Chief Executive / Sponsor	95,640,286
Hamza Ahmad Khan	Director	4,244,134
Arslan Shahid Butt	Key management personnel	5,000

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

32.2 Transactions with related parties

Amounts due from related parties are shown under advances, deposits, prepayments and other receivables note 18 and remuneration of directors and key management personnel note 30. Other significant transactions with related parties are as follows:

Relationship	Nature of transactions	2025 Rupees in ("000")	2024
Sponsors / shareholders	Loan received	35,000	-
	Adjustment / purchase of shares	(22,100)	22,100
Subsidiaries	Funds received on behalf	3,358,564	2,403,863
	Funds provided on behalf	(3,454,802)	(2,976,064)
	Mark-up income charged	357,388	331,200
	Loan provided	(35,000)	-
	Rental income	1,680	2,480
	Management fee	-	9,000
	Transfer to payable amount	3,786	-
Employee's Provident Fund	Contribution for the year	4,130	2,273
	Transfer to payable amount	3,786	-
	Payments made	(6,498)	-

33 Financial Instruments

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees policies for managing each of these risks.

33.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk, the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

Two

33.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as under:

	Note	2025 Rupees in ("000")	2024
Long term receivables	17	-	2,000,000
Current portion of long term receivables	17	2,000,000	-
Due from subsidiary companies	18.1	575,403	464,187
Due from broker	18	52	17,554
Accrued profit on long term receivables		535,169	244,803
Bank balances	19	39,548	17,932
		<u>3,150,172</u>	<u>2,744,476</u>

33.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	Note	2025 Rupees in ("000")	2024
Long term receivables	17	-	2,000,000
Current portion of long term receivables	17	2,000,000	-
Due from subsidiary companies	18.1	575,403	464,187
Due from broker	18	52	17,554
Accrued profit on long term receivables		535,169	244,803
Bank balances	19	39,548	17,932
		<u>3,150,172</u>	<u>2,744,476</u>

33.1.3 Credit quality and impairment**Long term receivables and due from subsidiary companies**

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Out of total amount of Rupees 3,150.172 million (2024: Rupees 2,744.476 million); aggregate amount of Rupees 3,110.572 million (2024: Rupees 2,708.990 million) are receivable from subsidiary companies, therefore, there is no risk of non-recovery of the amount.

Counterparties with external credit ratings

These include banking companies and financial institutions. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Two

Banks	Rating			2025	2024
	Short term	Long term	Agency	Rupees in ("000")	
Al-Baraka Bank (Pakistan) Limited	A-1	AA-	VIS	213	233
Askari Bank Limited	A1+	AA+	PACRA	135	135
Bank Alfalah Limited	A1+	AAA	PACRA	927	896
BankIslami Pakistan Limited	A1	AA-	PACRA	1	1
The Bank of Khyber	A1	A+	PACRA	349	57
The Bank of Punjab	A1+	AA+	PACRA	764	607
Faysal Bank Limited	A1+	AA	PACRA	3,557	3,558
ABHI Microfinance Bank	A2	A-	VIS	67	108
Habib Bank Limited	A-1+	AAA	VIS	1,905	1,751
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	236	355
MCB Bank Limited	A1+	AAA	PACRA	2,131	1,849
National Bank of Pakistan	A1+	AAA	PACRA	15	15
Bank Makramah Limited	A2	A-	VIS	27,705	6,275
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	840	840
United Bank Limited	A-1+	AAA	VIS	683	1,252
Bank AL-Habib Limited	A1+	AAA	PACRA	20	-
				39,548	17,932

33.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavorable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

33.2.1 Exposure to liquidity risk

(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
Rupees in ("000")				

December 31, 2025

Non-derivative financial liabilities

Long term financings	1,558,596	(1,558,596)	(269,000)	(1,289,596)	-
Deferred mark up on long term financing	430,085	(430,085)	-	(430,085)	-
Trade and other payables	40,284	(40,284)	(40,284)	-	-
Short term borrowings	89,000	(89,000)	(89,000)	-	-
Accrued mark-up	13,159	(13,159)	(13,159)	-	-
	2,131,124	(2,131,124)	(411,443)	(1,719,681)	-

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
Rupees in ("000")					
December 31, 2024					
Non-derivative financial liabilities					
Long term financings	1,680,096	(1,680,096)	(12,000)	(1,668,096)	-
Deferred mark up on long term financing	291,980	(291,980)	-	(291,980)	-
Trade and other payables	68,905	(68,905)	-	-	-
Short term borrowings	50,000	(50,000)	(50,000)	-	-
Accrued mark-up	5,206	(5,206)	(5,206)	-	-
	<u>2,096,187</u>	<u>(2,096,187)</u>	<u>(67,206)</u>	<u>(1,960,076)</u>	<u>-</u>

33.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. As at December 31, 2025, the Company is not exposed to market risk.

33.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currency in which these transactions are primarily denominated is US dollar. The Company is not exposed to currency risk as at December 31, 2025.

33.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments were as follows:

	Carrying amount	
	2025	2024
Rupees in ("000")		
Fixed rate instruments		
Financial liabilities		
Short term borrowings	89,000	50,000
Floating rate instruments		
Financial assets		
Due from subsidiary companies	2,566,961	2,463,261
Bank balances	27,705	6,275
Financial liabilities		
Long term financing	1,558,596	1,680,096

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed-rate instruments consist solely of short-term borrowings, and there are no financial assets held at fixed rates at the reporting date. Consequently, a change in interest rates at the reporting date would not affect the statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 150 basis points in interest rates at the reporting date would have (decreased) / increased profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2025.

		Changes in	Effects on
		interest rate	profit before
		%	Rupees in
			("000")
Financial assets			
Due from subsidiary companies	2025	+1.50	38,504
		-1.50	(38,504)
	2024	+1.50	36,949
		-1.50	(36,949)
Bank balances	2025	+1.50	416
		-1.50	(416)
Financial liabilities			
Long term financing	2024	+1.50	23,379
		-1.50	(23,379)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

33.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

33.4 Fair values of financial assets and liabilities

All financial assets and financial liabilities are initially recognized at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortized cost, as indicated in the tables below.

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate to the fair values.

Financial assets	Fair value through OCI	Fair value through profit or loss	Measured at amortised cost	Total
Rupees in ("000")				
December 31, 2025				
Financial assets				
Long term receivables	-	-	2,000,000	2,000,000
Due from subsidiary companies	-	-	575,403	575,403
Due from broker	-	-	52	52
Accrued profit on long term receivables	-	-	535,169	535,169
Bank balances	-	-	39,548	39,548
Total Financial assets	-	-	3,150,172	3,150,172
Non financial assets				7,579,239
Total assets				10,729,411

Financial assets	Fair value through OCI	Fair value through profit or loss	Measured at amortised cost	Total
Rupees in ("000")				
December 31, 2024				
<i>Financial assets</i>				
Long term receivables	-	-	2,000,000	2,000,000
Due from subsidiary companies	-	-	464,187	464,187
Due from broker	-	-	17,554	17,554
Accrued profit on long term receivables	-	-	244,803	244,803
Bank balances	-	-	17,932	17,932
Total Financial assets	-	-	2,744,476	2,744,476
Non financial assets				7,774,643
Total assets				<u>10,519,119</u>

Financial liabilities	Fair value through OCI	Fair value through profit or loss	Measured at amortised cost	Total
Rupees in ("000")				
December 31, 2025				
Financial liabilities				
Long term financings			1,558,596	1,558,596
Deferred mark up on long term financing			430,085	430,085
Trade and other payables			40,284	40,284
Short term borrowings			89,000	89,000
Accrued mark-up			13,159	13,159
Unpaid dividend			1,179	1,179
Total Financial liabilities			2,132,303	2,132,303
Non financial liabilities				22,902
Total liabilities				<u>2,155,205</u>

December 31, 2024				
<i>Financial liabilities</i>				
Long term financings			1,680,096	1,680,096
Deferred mark up on long term financing			291,980	291,980
Trade and other payables			68,905	68,905
Short term borrowings			50,000	50,000
Accrued mark-up			5,206	5,206
Unpaid dividend			1,179	1,179
Total financial liabilities			2,097,366	2,097,366
Non financial liabilities				8,375
Total liabilities				<u>2,105,741</u>

33.5 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at reporting date, the Company has following item to report in these levels:

TH

Recurring fair value measurements

	Level 1	Level 2	Level 3	Total
Rupees in ("000")				
December 31, 2025				
Non financial assets				
Investment property	-	3,852,557	-	3,852,557
December 31, 2024				
Non financial assets				
Investment property	-	3,775,432	-	3,775,432

33.6 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance.

	2025 (Rupees in "000")	2024
The debt to equity ratios were as follows:		
Total debt	2,077,681	2,022,076
Total equity	8,574,206	8,413,378
Total equity and debt	10,651,887	10,435,454
Debt to equity ratio	19.5%	19.4%

33.6.1 The Company is not subject to externally imposed capital requirements.

	2025 (Number)	2024
34 Number of employees		
The Company has employed following number of persons:		
Number of employees as at December 31	7	9
Average number of employees during the year	6	9

35 Corresponding figures

35.1 The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the

purposes of comparison and better presentation. However, no significant reclassification has been made.


36 General

36.1 Figures have been rounded off to the nearest rupees, unless otherwise stated.

37 Date of authorisation

37.1 These financial statements have been authorised for issue by Board of Directors of the Company on

~~08 APR 2020~~ 08 APR 2020



Chief Executive



Chief Financial Officer



Director

3.1 ** آپریٹنگ نتائج **

بورڈ آف ڈائریکٹرز کی جانب سے Waves Corporation Limited (سابقہ ویوز سنگر پاکستان لمیٹڈ) کے لیے، ہمیں خوشی ہے کہ ہم 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی ڈائریکٹرز رپورٹ اور آڈٹ شدہ مالیاتی بیانات (کنسولیدیشنڈ اور اسٹیٹمنٹ الون)، آڈیٹرز کی رپورٹ کے ہمراہ پیش کر رہے ہیں۔ الحمد للہ، ویوز برانڈ ڈ مصنوعات کی طلب مضبوط رہی، جس کی بنیاد اعلیٰ معیار، مارکیٹ کی ضروریات سے ہم آہنگ اور جدت پر مبنی مصنوعات کی فراہمی کے ہمارے مسلسل عزم پر ہے۔

زیر جائزہ سال کے دوران مجموعی معاشی صورتحال میں بتدریج بہتری دیکھنے میں آئی۔ افراط زر کے دباؤ میں کمی، مانیٹری پالیسی میں نرمی، اور کاروباری اعتماد میں بہتری نے کاروباری ماحول کو مستحکم کرنے میں مدد دی، اگرچہ بعض شعبوں میں چیلنجز برقرار رہے۔ کمپنی کے بزنس ماڈل نے بروقت اسٹریٹجک فیصلوں، لاگت میں کمی، اور آپریٹنگ بہتری کے ذریعے اپنی مضبوطی کا مظاہرہ کیا۔

مکمل ملکیتی ذیلی ادارہ Waves Marketplace Limited (ویوز پلس) کا بزنس ماڈل بدستور چیلنجز کا شکار رہا، جبکہ رینیل اسٹیٹ ڈیولپمنٹ کا عمل موجودہ مشکل معاشی اور مالی حالات کے باعث سست روی کا شکار رہا۔

ہوم اپلائنسز کا کاروبار، جو کہ ذیلی ادارہ Waves Home Appliances Limited (WAVESAPP) کے ذریعے چلایا جاتا ہے، سال کے بیشتر حصے میں ایک مشکل صنعتی ماحول میں کام کرتا رہا، جہاں فنانسنگ کی بلند لاگت، افراط زر کے دباؤ اور صارفین کی محدود توجہ خرید جیسے مسائل درپیش تھے۔ WAVESAPP نے مقامی طور پر تیار کردہ مواد کے استعمال میں اضافہ کر کے مؤثر عمل دیا، جس سے پیداوار اور درآمد سے متعلق خطرات کو حریفوں کے مقابلے میں کم کیا گیا۔ جدید ترین مقصد کے تحت تعمیر شدہ فیکٹری کی تعمیر بھی موجودہ معاشی حالات کے مطابق تدریجی رفتار سے جاری رہی۔

مشکل حالات کے پیش نظر، WAVESAPP کے بورڈ نے ہولڈنگ کمپنی کے ذمے واجب الادا اسٹریٹجی (ری انجینئرنگ) اور اسٹریٹجک اقدامات پر مسلسل توجہ نے گروپ کو معاشی دباؤ کے باوجود اپنی کارکردگی برقرار رکھنے میں مدد دی۔ آپریٹنگ اور مالیاتی کارکردگی کا مزید تجزیہ اس سالانہ رپورٹ کے دیگر حصوں میں فراہم کیا گیا ہے۔

علمی وسائل کے بہتر استعمال، آپریٹنگ کارکردگی، لاگت میں کمی، عمل کی از سر نو ترتیب (ری انجینئرنگ) اور اسٹریٹجک اقدامات پر مسلسل توجہ نے گروپ کو معاشی دباؤ کے باوجود اپنی کارکردگی برقرار رکھنے میں مدد دی۔ آپریٹنگ اور مالیاتی کارکردگی کا مزید تجزیہ اس سالانہ رپورٹ کے دیگر حصوں میں فراہم کیا گیا ہے۔

مستقبل کے حوالے سے قلیل مدتی منظر نامہ محتاط امید پر مبنی ہے، تاہم ہیٹس شیفٹ کے بعد کے جغرافیائی و سیاسی حالات اس پر اثر انداز ہو سکتے ہیں۔ 2026 کے اوائل میں ایران اور امریکہ/ اسرائیل کے درمیان کشیدگی میں اضافے نے آبنائے ہرمز کے ذریعے تیل کی ترسیل کو متاثر کیا، جس کے نتیجے میں پاکستان میں ایندھن کی قیمتوں میں نمایاں اضافہ ہوا اور توانائی، نقل و حمل اور خام مال کے اخراجات بڑھ گئے۔ اس سے ہوم اپلائنسز سیکٹر میں صارفین کی طلب پر مزید دباؤ پڑا ہے۔

پاکستان نے ایک مثبت ثالثی کردار ادا کرتے ہوئے 18 اپریل 2026 کو دو ہفتوں کی جنگ بندی کروائی۔ اسلام آباد میں امریکہ کی قیادت میں مستقل حل کے لیے اعلیٰ سطحی مذاکرات جاری ہیں، تاہم مختلف تشریحات اور علاقائی کشیدگی کے باعث جنگ بندی اب بھی نازک ہے۔ گروپ اس غیر یقینی صورتحال میں لیکویڈیٹی کے تحفظ، لاگت میں کمی اور توانائی کی بچت والی مصنوعات کی حکمت عملیوں پر توجہ مرکوز کیے ہوئے ہے تاکہ طویل مدتی بنیادوں پر شیئر ہولڈرز کے لیے قدر پیدا کی جاسکے۔

ہم اپنے معزز اسٹیک ہولڈرز، بشمول شیئر ہولڈرز، انتظامیہ، ملازمین، ڈیلرز اور سپلائرز کے مسلسل اعتماد اور تعاون پر دلی شکر یہ ادا کرتے ہیں۔

**** کنسولید بیڈ آپریٹنگ نتائج ****

	FY24	FY25	
			ہزار روپے میں ہزار روپے میں
			مجموعی آمدن
	4,142,707	6,368,133	خالص آمدن
	3,944,757	4,779,331	مجموعی منافع
	1,219,295	1,344,303	آپریٹنگ منافع
	1,791,734	1,198,237	ٹیکس سے پہلے منافع
	1,089,399	514,695	ٹیکس کے بعد منافع
	1,087,394	521,465	فی حصص آمدن
	3.86	1.85	

موجودہ معاشی اور مالیاتی چیلنجز کو مد نظر رکھتے ہوئے، بورڈ نے کمپنی کے شیئر ہولڈرز کے لیے کسی بھی منافع (ڈیویڈنڈ) کی سفارش نہیں کی ہے۔

بورڈ نے کنسولید بیڈ مالیاتی نتائج کی بنیاد پر آپریٹنگ نتائج اور کاروباری کارکردگی پیش کی ہے کیونکہ یہ ہولڈنگ کمپنی کے طور پر کمپنی کی مجموعی کارکردگی کی بہتر عکاسی کرتے ہیں۔ کمپنی کے علیحدہ (اسٹینڈ الون) آپریٹنگ نتائج بھی فراہم کیے گئے ہیں۔

**** کنسولید بیڈ آپریٹنگ کارکردگی ****

سال کے دوران، کمپنی نے کنسولید بیڈ بنیادوں پر 6.36 ارب روپے کی آمدن حاصل کی، جو گزشتہ سال کے 4.14 ارب روپے کے مقابلے میں نمایاں اضافہ ہے۔ تاہم خالص منافع 0.52 ارب روپے رہا جو گزشتہ سال کے 1.0 ارب روپے کے مقابلے میں کم ہے، جس کی بنیادی وجہ گزشتہ سال ریکارڈ کیے گئے فیئر ویلیو گینز ہیں۔ اسی وجہ سے فی حصص آمدن 1.85 روپے رہی جبکہ گزشتہ سال یہ 3.86 روپے تھی۔

معاشی حالات میں بہتری، شہری آبادی میں اضافہ، شرح سود میں کمی اور دیہی آبادی کی روزگار اور بہتر زندگی کے لیے شہروں کی طرف منتقلی کے باعث میٹروپولیٹن علاقوں کی ترقی کے تناظر میں ہمیں توقع ہے کہ مستقبل میں نتائج میں بہتری آئے گی۔

**** ذیلی کمپنیوں میں سرمایہ کاری ****

کمپنی کے اسٹینڈ الون مالیاتی بیانات میں ذیلی کمپنیوں میں سرمایہ کاری کو براہ راست ایکویٹی مفاد کی بنیاد پر تسلیم کیا گیا ہے، نہ کہ ان کی رپورٹ شدہ کارکردگی یا خالص اثاثوں کی بنیاد پر۔ کنسولید بیڈ مالیاتی بیانات علیحدہ طور پر تیار اور پیش کیے گئے ہیں۔

کمپنی کی 50 فیصد سے زائد ایکویٹی سرمایہ کاری Waves Home Appliances Limited میں ہے جبکہ 100 فیصد ایکویٹی سرمایہ کاری Waves Marketplace Limited اور Waves Builders and Developers (Private) Limited میں ہے۔

**** کمپنی کے اسٹینڈ الون نتائج ****

کمپنی کے اسٹینڈ الون نتائج درج ذیل ہیں:

	FY24	FY25
مجموعی آمدن	4,142,707	6,368,133
آپریٹنگ منافع	1,791,734	1,198,237
ٹیکس سے پہلے منافع	1,089,399	514,695
سال کا منافع	1,087,394	521,465
نی حصص آمدن	3.86	1.85

ذیلی کمپنیوں کے بارے میں مختصر معلومات اس سالانہ رپورٹ میں فراہم کی گئی ہیں۔

** کاروباری جائزہ - سرگرمیاں اور ترقی **

Waves Corporation Limited (ویوز یا کمپنی) پاکستان اسٹاک ایکسچینج Pakistan Stock Exchange Limited (PSX) میں لسٹڈ ہے۔ کمپنی حال ہی میں ایک اسکیم آف اریجنٹ کے تحت گزری ہے، جس کے نتیجے میں ہوم ایپلائنسز کا کاروبار ڈی مرچ ہو کر Waves Home Appliances Limited (سابقہ سامن ٹیکسٹائلز لمیٹڈ) میں ضم کر دیا گیا، جبکہ کمپنی نے رینیل اسٹیٹ ڈیولپمنٹ کا کاروبار اور صارفین کے لیے ایپلائنسز اور دیگر اشیاء کی ریٹیل نیٹ ورک برقرار رکھا۔ یہ اسکیم معززز Lahore High Court، لاہور کی جانب سے 27 مئی 2022 کو منظور کی گئی، جبکہ اس کی مؤثر تاریخ 31 اگست 2021 تھی۔ WAVESAPP اب کمپنی کی ذیلی کمپنی ہے۔

ریٹیل کاروبار اس وقت Waves Market Place Limited کے ذریعے چلایا جا رہا ہے، جبکہ رینیل اسٹیٹ منصوبے کے لیے Limited (Private) Developers Waves Builders & (جو اب ہولڈنگ کمپنی میں ضم کی جا رہی ہے)۔ WAVESAPP بنیادی طور پر مختلف ہوم ایپلائنسز اور ہلکی انجینئرنگ مصنوعات کی تیاری، اسمبلنگ اور تقسیم میں مصروف ہے۔ کمپنی کے پاس مصنوعات کی وسیع رینج موجود ہے جو پاکستان بھر میں پھیلے ڈیلرز کے نیٹ ورک اور کمپنی کے اپنے ریٹیل آؤٹ لیٹس کے ذریعے فروخت کی جاتی ہے۔

** ویوز ہوم ایپلائنسز لمیٹڈ (WAVESAPP) **

Waves Home Appliances Limited (سابقہ سامن ٹیکسٹائلز لمیٹڈ) 27 نومبر 1989 کو پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر کمپنیز آرڈیننس 1984 (ایب کمپنیز ایکٹ 2017) کے تحت قائم کی گئی۔ کمپنی کا رجسٹرڈ دفتر 9-کلو میٹر، ملتان روڈ، لاہور میں واقع ہے، جو کمپنی کے موجودہ رجسٹرڈ دفتر کے احاطے میں ہی ہے۔ WAVESAPP اس وقت پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔

ابتدائی طور پر کمپنی کا بنیادی کاروبار ایپلائنسز اور ٹیکسٹائل سے متعلق مصنوعات کی تجارت، درآمد اور برآمد تھا۔ تاہم اسکیم آف اریجنٹ کی منظوری کے بعد کمپنی کے کاروبار میں ترمیم کر کے گھریلو ایپلائنسز اور دیگر ہلکی انجینئرنگ مصنوعات کی تیاری، اسمبلنگ اور ہول سیل شامل کر دیا گیا ہے۔ ایپلائنسز کی مینوفیکچرنگ پلانٹ کو ایک نئی، جدید اور وسیع فیکٹری میں منتقل کیا جا رہا ہے، جس کی تعمیر سست رفتار سے مگر مسلسل جاری ہے۔

WAVESAPP پاکستان بھر میں کراچی، لاہور، گوجرانوالہ، پشاور، ملتان وغیرہ جیسے شہروں میں گوداموں کے نیٹ ورک کے ساتھ کام کر رہی ہے، جبکہ ڈیلرز، آفٹریلرز سروس سینٹرز اور ورکشاپس کا وسیع نیٹ ورک بھی موجود ہے۔ کمپنی کا سیلز انفراسٹرکچر پاکستان میں کام کرنے والی کسی بھی بڑی ہوم ایپلائنس کمپنی کے ہم پلہ ہے۔

	FY24*	FY25
مجموعی آمدن	4,078,713	5,034,438
مجموعی منافع	886,395	1,006,254

چونکہ ہوم اپلائنسز کی تیاری ایک ٹیکنالوجی پر مبنی صنعت ہے اور اس کے لیے عالمی معیار کے مطابق تکنیکی مہارت اور تحقیق و ترقی (R&D) درکار ہوتی ہے، اس لیے مقامی کمپنیوں کے پاس دوراستے ہوتے ہیں: یا تو وہ بھاری سرمایہ کاری کر کے اپنی R&D اور تکنیکی ٹیمیں تیار کریں، یا پھر عالمی کمپنیوں کے ساتھ شراکت داری کریں۔ ان دونوں آپشنز میں وقت کے فرق کے باعث اکثر مقامی کمپنیوں کو غیر ملکی شراکت داروں کے ساتھ مل کر کام کرنا پڑتا ہے تاکہ سخت مقابلے کا سامنا کیا جاسکے۔

کمپنی کو عالمی سطح کے پلیٹ فارمز کے نیٹ ورک کا حصہ بنانے کے لیے WAVESAPP نے کارپوریٹ تنظیم کو مکمل کی ہے، جس کے تحت ایک علیحدہ لیمیٹڈ کمپنی قائم کی گئی ہے جو صرف WAVES برانڈ کے تحت گھریلو اپلائنسز کی تیاری اور فروخت پر مرکوز ہے۔

ورکنگ کاپیٹل کے مسائل کے باعث، کمپنی درآمدی انحصار کم کرنے کے لیے مقامی خام مال کے استعمال کی طرف منتقل ہو رہی ہے اور کچھ درآمد شدہ اجزاء کو مقامی وینڈرز کے ذریعے تیار کرنے کی کوشش کر رہی ہے۔ ڈیپ فریزرز اور وزی کولرز کی کارپوریٹ سٹور میں نمایاں مواقع موجود ہیں، نہ صرف Coca-Cola بلکہ ہنڈ خوراک اور مشروبات کی وسیع صنعت کے لیے بھی۔

چیلنجز کے باوجود، WAVESAPP اپنی آپریشنل سرگرمیوں کے تسلسل کو یقینی بنانے کے لیے پرعزم ہے۔

ویوز مارکیٹ پلیس لمیٹڈ (WML)

Waves Marketplace Limited کمپنی کی مکمل ملکیتی ذیلی کمپنی ہے، جو ہوم اپلائنسز کی ریٹیل فروخت میں ایک نمایاں نام ہے۔ یہ کمپنی اپنے صارفین کو نقد اور اقساط پر خریداری کی سہولت فراہم کرتی ہے، جس کے ذریعے پاکستان کے دیہی اور شہری علاقوں میں پھیلے اپنے آؤٹ لیٹس پر آسان خریداری ممکن بناتی ہے۔

WML نے مضبوط ترقی کا مظاہرہ کیا ہے، اور اپنی توسیعی منصوبہ بندی کے لیے فنڈنگ کے حصول کی غرض سے بورڈ نے اصولی طور پر فیصلہ کیا ہے کہ موزوں وقت پر اسے Pakistan Stock Exchange Limited (PSX) میں لسٹ کیا جاسکتا ہے۔ تاہم موجودہ سیاسی اور معاشی حالات کے باعث لسٹنگ کی تیاری کی رفتار سست کر دی گئی ہے، جب تک کہ مارکیٹ کے حالات بہتر نہ ہو جائیں۔

انفراز، بلند شرح سود اور کمزور مارکیٹ رجحانات کے باعث مجموعی آمدن میں کمی واقع ہوئی ہے۔

	FY24	FY25	
			ہزار روپے میں ہزار روپے میں
	1,104,878	1,112,613	مجموعی آمدن
	333,216	338,050	مجموعی منافع
	40,841	83,342	ٹیکس سے پہلے منافع
	52,363	56,087	ٹیکس کے بعد منافع

انتظامیہ متوازی طور پر ترقی کے لیے فنڈز کے متبادل ذرائع پر بھی غور کر رہی ہے، جیسے کہ ریسٹیو بلنڈ کی سیکورٹائزیشن اور/یا اسٹریٹجک ایکویٹی سرمایہ کاروں یا شراکت داروں کو شامل کرنا۔ بلند شرح سود، بڑھتی ہوئی آبادی اور تیز رفتار شہری ترقی کے تناظر میں "ابھی خریدیں، بعد میں ادائیگی کریں" (BNPL) کا بزنس ماڈل ترقی یافتہ ممالک کی طرح پاکستان میں بھی نمایاں ترقی کی صلاحیت رکھتا ہے۔

تاہم، WAVES رسک اور منافع کو مدنظر رکھتے ہوئے اقساط اور نقد فروخت کے درمیان متوازن سٹریٹجی پر توجہ دے گا۔ ویوز کا نیٹ ورک اسی انفرا سٹرکچر کے تحت انڈسٹری اوسط کے مطابق اپنی فروخت کو کئی گنا بڑھانے کی صلاحیت رکھتا ہے۔

ویوز بلڈرز اینڈ ڈیولپرز (پرائیویٹ) لمیٹڈ (WBDL)

Waves Builders and Developers (Private) Limited کو ہولڈنگ کمپنی نے ایک اسٹیبلشمنٹ پر پوزیٹو ویکیٹ (SPV) کے طور پر ریئل اسٹیٹ کاروبار کے لیے قائم کیا تھا۔ منصوبے کی ترقی سے متعلق تمام اخراجات ہولڈنگ کمپنی نے برداشت کیے، جنہیں بعد میں منصوبے کے عملی مرحلے میں داخل ہونے پر WBDL کو منتقل کیا جانا تھا۔

چونکہ موجودہ مشکل معاشی اور مالیاتی حالات کے باعث ریئل اسٹیٹ منصوبے کی ترقی سست روی کا شکار ہے، اس لیے بورڈ نے فیصلہ کیا ہے کہ اگر ضروری سمجھا گیا تو WBDL کو مناسب وقت پر کمپنی میں ضم کر دیا جائے، تاکہ ضابطہ جاتی اور کارپوریٹ اخراجات میں کمی لائی جاسکے۔

	FY24	FY25
ا ہزار روپے میں	330	460
آپریٹنگ نقصان	330	460
اسال کا نقصان	330	460

اسکیم آف اربٹمنٹ

مالی سال 2022 کے دوران، معزز لاہور ہائی کورٹ نے Waves Corporation Limited اور Waves Home Appliances Limited (WAVESAPP) کے درمیان اسکیم آف اربٹمنٹ کی منظوری دی، جس کے تحت ہوم اپلائنسز کا کاروبار WAVESAPP کو منتقل کر دیا گیا، جبکہ ریئل اسٹیٹ کاروبار کمپنی کے پاس برقرار رکھا گیا۔

اس اقدام سے متعدد فوائد حاصل ہوئے، جن میں ہر کمپنی کی الگ شناخت، کاروبار پر زیادہ توجہ، کسٹمر بیس کی بہتر سروس، اور WAVESAPP کے کاروبار کی مؤثر نگرانی اور کنٹرول شامل ہیں، جبکہ WAVESAPP کی انتظامیہ روزمرہ کی بنیاد پر اس کے آپریشنز کو خود مختاری کے ساتھ چلا سکتی ہے۔

اس اسکیم کے تحت، WAVESAPP نے کل 256,006,196 عام حصص جاری کیے، جن میں سے 199,724,956 حصص WAVESAPP کو جاری کیے گئے، جس کے نتیجے میں WAVESAPP کمپنی کی ذیلی کمپنی بن گئی۔ مزید برآں، تصفیہ (Settlement Consideration) کے طور پر WAVESAPP نے WAVES کے شیئرز ہولڈرز کو 56,281,240 حصص جاری کیے۔

باقی ماندہ 2 ارب روپے کی نقد رقم اسکیم کی منظوری کے دو سال کے اندر ادا کی جانی تھی۔ اگر یہ رقم مقررہ مدت میں ادا کر دی جاتی تو اس پر کوئی منافع/مارک اپ لاگو نہیں ہونا تھا۔ بورڈ نے اس رقم کی ادائیگی کی مدت میں مزید 2 سال کی توسیع کی منظوری دے دی ہے۔ مزید تفصیلات کے لیے سالانہ مالیاتی بیانات کے نوٹس کے ابتدائی پیراگراف کا حوالہ دیا جاسکتا ہے۔

مسلسل بلڈرز سود اور دیگر معاشی و مالیاتی چیلنجز کے پیش نظر، انتظامیہ مالیاتی اداروں کے ساتھ کمپنی کے قرضہ جات کی تنظیم نو اور بہتری کے لیے مذاکرات کر رہی ہے۔

مزید برآں، WAVES اور WAVESAPP اسکیم آف اربٹمنٹ کی منظوری کے بعد باقی رہ جانے والی ضابطہ جاتی کارروائیوں، خصوصاً ٹیکس سے متعلق معاملات، کو مکمل کرنے کے عمل میں ہیں، جو کہ ریگولیٹری چیلنجز کی وجہ سے کچھ وقت لے رہا ہے۔ انتظامیہ کمپنی اور اس کے شیئرز ہولڈرز کے بہترین مفاد میں منظم اور مناسب انداز میں پیش رفت کر رہی ہے، اور توقع ہے کہ یہ تمام کارروائیاں جلد مکمل ہو جائیں گی۔

معاشی اور صنعتی تجزیہ

سال 2025 کے دوران پاکستان میں مجموعی معاشی صورتحال میں بتدریج بہتری دیکھنے میں آئی۔ افراط زر میں کمی، State Bank of Pakistan کی جانب سے پالیسی ریٹ میں مسلسل کمی، ترسیلات زر میں اضافہ اور کاروباری اعتماد میں بہتری نے معاشی سرگرمیوں کی بحالی میں اہم کردار ادا کیا۔ ان مثبت عوامل کے باوجود، صارفین کی طلب اور فنانسنگ لاگت سے متعلق کچھ چیلنجز برقرار رہے، تاہم گروپ نے ان حالات میں بھی اپنی مضبوطی کا مظاہرہ کیا۔

ہوم اپلائسنسز کا شعبہ بھی اس بہتر ہوتی ہوئی صورتحال سے مستفید ہوا، اگرچہ سال کے بیشتر حصے میں بلند (اگرچہ کم ہوتی ہوئی) شرح سود اور محدود قوت خرید کے باعث دباؤ برقرار رہا۔ ہماری ذیلی کمپنیوں نے مؤثر لاگت کنٹرول، مقامی مینوفیکچرنگ پر زیادہ انحصار اور آپریشنل بہتری کے ذریعے اپنے مارجنز کو محفوظ رکھنے اور مارکیٹ میں اپنی پوزیشن برقرار رکھنے میں کامیابی حاصل کی

مستقبل کا لاٹھل (Future Outlook)

مستقبل کے حوالے سے قلیل مدتی منظر نامہ محتاط امید پر مبنی ہے، تاہم بنلنس شیٹ کے بعد کے جغرافیائی و سیاسی حالات اس پر اثر انداز ہو رہے ہیں۔ 2026 کے اوائل میں ایران اور امریکہ/اسرائیل کے درمیان کشیدگی میں اضافے نے آبنائے ہرمز کے ذریعے تیل کی ترسیل کو متاثر کیا، جس کے نتیجے میں پاکستان میں ایندھن کی قیمتوں میں نمایاں اضافہ ہوا اور توانائی نقل و حمل اور خام مال کے اخراجات بڑھ گئے۔ اس سے ہوم اپلائسنسز سیکٹر میں صارفین کی طلب پر مزید دباؤ پیدا ہوا ہے۔

پاکستان نے ایک مثبت ثالثی کردار ادا کرتے ہوئے 8 اپریل 2026 کو دو ہفتوں کی جنگ بندی کروائی، جبکہ امریکہ کی قیادت میں اسلام آباد میں مستقل حل کے لیے اعلیٰ سطحی مذاکرات جاری ہیں۔ تاہم مختلف تشریحات اور علاقائی کشیدگی کے باعث جنگ بندی اب بھی غیر مستحکم ہے۔

ہوم اپلائسنسز کی صنعت کی ٹیکنالوجی پر مبنی نوعیت کے پیش نظر، گروپ تحقیق و ترقی (R&D)، آپریشنل جدیدیت اور تکنیکی مہارت میں مسلسل سرمایہ کاری پر توجہ مرکوز کیے ہوئے ہے۔ Waves Home Appliances Limited (ERP (WAVESAPP) سسٹمز (بشمول BISAP) کے ذریعے کارکردگی میں بہتری لارہی ہے، بین الاقوامی معیاری سرٹیفیکیشن برقرار رکھتی ہے، اور توانائی کی بچت والی مصنوعات کی جدت کو ترجیح دیتی ہے۔

Waves Marketplace Limited اپنے وسیع رینجیل اور ڈسٹری بیوشن نیٹ ورک کے ذریعے شہری، نیم شہری اور دیہی مارکیٹس میں برانڈ کی رسائی کو مزید مضبوط بنا رہی ہے۔ رینجیل اسٹیٹ منسوبہ، جولاءہور کے ایک گنجان آباد اور مصروف علاقے میں واقع ہے جہاں بڑے پیمانے پر کوئی نمایاں مقابلہ موجود نہیں، معاشی حالات میں بہتری کے ساتھ قدر پیدا کرنے کی بھرپور صلاحیت رکھتا ہے۔

گروپ موجودہ غیر یقینی صورتحال سے نمٹنے کے لیے لیکویڈیٹی کے تحفظ، لاگت میں کمی، عمل میں بہتری اور توانائی کی بچت کی حکمت عملیوں پر توجہ مرکوز کیے ہوئے ہے تاکہ شیئرز ہولڈرز کے لیے طویل مدتی پائیدار قدر فراہم کی جاسکے۔

خطرات، غیر یقینی صورتحال اور تدارکی اقدامات

کمپنی اس بات کو تسلیم کرتی ہے کہ خطرہ کاروبار کا ایک لازمی حصہ ہے، اور ان خطرات کو مؤثر اور پیشگی انداز میں منظم کرنے کے لیے پرعزم ہے۔ کمپنی باقاعدگی سے داخلی اور خارجی ماحول میں موجود خطرات کا جائزہ لیتی ہے اور ان کے تدارک کے لیے اپنی حکمت عملی اور آپریشنل منسوبہ بندی میں اقدامات شامل کرتی ہے۔ ہر خطرے کا بغور تجزیہ کیا جاتا ہے، کیونکہ بعض صورتوں میں یہی خطرات نئے کاروباری مواقع بھی پیدا کر سکتے ہیں۔

کمپنی کے پاس ایک واضح اور مؤثر رسک مینجمنٹ فریم ورک موجود ہے، جو ادارے کے ہر سطح پر نافذ ہے۔ یہ مختلف سطحیں مل کر کمپنی کے رسک مینجمنٹ کے لیے ایک مضبوط دفاعی نظام تشکیل دیتی ہیں۔ کمپنی کی رسک مینجمنٹ کمیٹی ان تدارکی منصوبوں کی نگرانی اور جائزہ لیتی رہتی ہے۔

اہم کاروباری خطرات اور تدارکی اقدامات

آپریشنل کارکردگی کے خطرات

یہ خطرات اندرونی عوامل، انتظامی اور آپریشنل طریقہ کار سے متعلق ہوتے ہیں جیسے ملازمین کا زیادہ انخلا، سپلائی چین میں خلل، آئی ٹی سسٹمز کی بندش یا کنٹرول کی ناکامی۔

تدارک:

- کمپنی نے وینڈرز کی تنظیم نو (Vendor Rationalization) شروع کی ہے، اندرونی مینوفیکچرنگ پر زور دیا جا رہا ہے اور وینڈرز کی کارکردگی جانچنے کے لیے اسکور کارڈ سسٹم نافذ کیا گیا ہے۔
- کمپنی نے سال کے دوران کوالٹی اور پرائیس اپروومنٹ پروگرام نافذ کیا ہے، جس میں اسٹریٹجک وینڈرز بھی شامل ہیں، اور اس کی پیش رفت کا باقاعدگی سے انتظامی جائزہ لیا جاتا ہے۔

برانڈنگ/جدت کے خطرات

یہ خطرہ کاروبار کے جدید اور تحقیقی پہلوؤں سے متعلق ہے، جیسے مصنوعات کی تحقیق، مارکیٹ کے جدید رجحانات سے ہم آہنگی اور پروڈکٹ انویشن۔
تدارک:

- کمپنی نے ایک مرکزی مارکیٹنگ اسٹریٹجی قائم کیا ہے، جس سے صارفین کی سمجھ بوجھ (Consumer Insights) بہتر ہوتی ہے اور متعلقہ شعبوں میں مہارت کی کمی کو پورا کیا گیا ہے۔
- تحقیق و ترقی (R&D) کے شعبے کو مضبوط کیا گیا ہے، جو مسلسل نئی مصنوعات کی جدت پر کام کر رہا ہے۔

ادارہ جاتی کارکردگی کے خطرات

درست صلاحیتوں کے حامل افراد کو متوجہ کرنے اور برقرار رکھنے میں ناکامی کمپنی کے اہداف کے حصول میں رکاوٹ بن سکتی ہے۔
تدارک:

- کمپنی نے Succession Planning فریم ورک نافذ کیا ہے، جس کے ذریعے موزوں ملازمین کے لیے کیریئر ترقی کے مواقع فراہم کیے جاتے ہیں اور ٹیلنٹ کو برقرار رکھا جاتا ہے۔

لیکویڈیٹی ریسک

یہ خطرہ اس بات سے متعلق ہے کہ کمپنی کو اپنی مالی ذمہ داریوں کی ادائیگی میں دشواری پیش آسکتی ہے۔
تدارک:

- مؤثر لیکویڈیٹی مینجمنٹ کے تحت مناسب نقد رقم اور مارکیٹ ایبل سیکورٹیز برقرار رکھی جاتی ہیں اور کریڈٹ سہولیات دستیاب رکھی جاتی ہیں۔
- کمپنی کیش فلو کی منصوبہ بندی، مالیاتی پوزیشن کے تناسبات کی نگرانی اور قرضہ جاتی منصوبہ بندی کے ذریعے لیکویڈیٹی کو مؤثر انداز میں منظم کرتی ہے۔

کریڈٹ ریسک

یہ خطرہ اس صورت میں پیدا ہوتا ہے جب فریقین معاہدے کے مطابق اپنی ذمہ داریاں پوری نہ کریں۔
تدارک:

- انفرادی کریڈٹ حدود مقرر کی گئی ہیں اور زیادہ تر تجارتی واجبات بینک گارنٹیز اور لیٹرف آف کریڈٹ کے ذریعے محفوظ بنائے جاتے ہیں۔
- بینک گارنٹیز صرف اعلیٰ کریڈٹ ریٹنگ والے بینکوں سے حاصل کی جاتی ہیں، جیسا کہ بورڈ سے منظور شدہ ہے۔

قیمتوں کا خطرہ (Price Risk)

نئے کھلاڑیوں کی آمد سے قیمتوں میں مقابلہ بڑھ سکتا ہے، جس سے منافع کم ہو سکتا ہے۔
تدارک:

- کمپنی مسابقتی سپلائی تلاش کرتی ہے، ٹیکنالوجی اور کارکردگی بہتر بناتی ہے۔
- اندرونی طور پر مصنوعات تیار کرنے کی صلاحیت کے باعث کمپنی مسابقتی دباؤ کو کم کر سکتی ہے۔

مسابقتی خطرات (Competitive Risk)

نئے اداروں کے مارکیٹ میں داخل ہونے سے مقابلہ بڑھ رہا ہے۔

تدارک:

- کمپنی کی متنوع مصنوعات، منفرد ڈیلر اور ڈیلریٹ نیٹ ورک اور تکنیکی مہارت اسے ان چیلنجز سے نمٹنے کے قابل بناتی ہے۔

جغرافیائی و سیاسی اور توانائی سپلائی کا خطرہ (ابھرتا ہوا)

2026 کے اوائل میں ایران اور امریکہ/اسرائیل کے درمیان کشیدگی کے باعث آبنائے ہرمز کے ذریعے تیل کی فراہمی متاثر ہوئی، جس سے عالمی اور مقامی ایندھن کی قیمتوں میں اضافہ ہوا۔ اس کے نتیجے میں نقل و حمل، توانائی اور خام مال کے اخراجات بڑھے، فراڈز میں اضافہ ہوا اور صارفین کی طلب پر دباؤ آیا۔ پاکستان میں جاری امن مذاکرات (11-10 اپریل 2026) اس صورتحال میں بہتری کا امکان بھی رکھتے

ہیں مگر غیر یقینی صورتحال برقرار ہے۔

تدارک:

- لاگت میں کمی اور ورکنگ کپیٹل کے بہتر انتظام پر توجہ
- لیکویڈیٹی کے تحفظ اور توانائی مؤثر مصنوعات کی طرف توجہ
- ان پٹ لاگت کم کرنے کے لیے مؤثر سورسنگ حکمت عملی
- معاشی و جنرالیائی حالات کی مسلسل نگرانی اور بروقت فیصلے
- بورڈ مذاکراتی عمل کی پیش رفت پر قریبی نظر رکھے ہوئے ہے

ریگولیٹری خطرات

ٹیکس، ڈیوٹیز اور دیگر لیویز میں اضافہ کمپنی کی کارکردگی کو متاثر کر سکتا ہے۔

تدارک:

• چونکہ نئی لیویز تمام صنعت پر لاگو ہوتی ہیں، اس لیے کمپنی اپنی مسابقتی پوزیشن برقرار رکھتی ہے۔

ماحولیات، صحت اور حفاظت (Safety Environment, Health &)

ہم اپنے کاروبار کے تمام شعبوں میں صحت، حفاظت اور ماحولیات کے اعلیٰ معیار حاصل کرنے کے لیے پُر عزم ہیں۔ ہم اپنے ملازمین کی حفاظت کو اولین ترجیح دیتے ہیں اور ایک مثبت ماحول، بہتر صحت اور محفوظ کلچر فراہم کرنے کے لیے کوشاں ہیں، خصوصاً اپنی مینوفیکچرنگ سہولیات میں، جبکہ ماحولیات کو ذمہ دار یوں کو بھی پوری مستعدی سے نبھاتے ہیں۔

کمپنی اپنے کارکنوں کی پیشہ ورانہ صحت اور حفاظت کو انتہائی اہمیت دیتی ہے۔ ہم ایک محفوظ کام کرنے کا ماحول برقرار رکھتے ہیں اور اپنے ملازمین اور اسٹیک ہولڈرز کی صحت و فلاح و بہبود کی ذمہ داری قبول کرتے ہیں۔ کمپنی تمام ملازمین کو باقاعدگی سے تربیت فراہم کرتی ہے تاکہ وہ کام کی جگہ اور اس سے باہر بھی محفوظ رہ سکیں۔ مزید برآں، ہماری مینوفیکچرنگ، ڈسٹری بیوٹن اور ریٹیل آپریشنز میں ایسے معیاری طریقہ کار (SOPs) نافذ کیے گئے ہیں جو حادثات کے خطرات کو کم کرنے میں مدد دیتے ہیں۔

پائیداری اور ESG عزم (Commitment ESG Sustainability &)

SECP Waves Home Appliances Limited کے ESG ریگولیٹری روڈ میپ اور IFRS کے سسٹیمیٹیک ڈسکلوزر اسٹینڈرڈز (S1 اور S2) کے مطابق ماحولیاتی، سماجی اور گورننس (ESG) عوامل کو اپنی بنیادی حکمت عملی میں شامل کرنے کے لیے پُر عزم ہے۔

بورڈ نے پائیداری سے متعلق خطرات کی نگرانی کا عمل شروع کر دیا ہے، جس میں توانائی کی بچت پر خصوصی توجہ دی جا رہی ہے، جو موجودہ مہنگی توانائی کے تناظر میں ایک اہم عنصر ہے۔ انورٹریٹیکنا لوجی کی جانب منتقلی اور بہتر مینوفیکچرنگ پراسیسز کے ذریعے کمپنی اپنے ماحولیاتی اثرات کو کم کرنے اور طویل مدتی قدر پیدا کرنے کا ارادہ رکھتی ہے۔

مزید برآں، کمپنی SECP کے ESG Sustainability Portal میں شمولیت کے عمل کا جائزہ لے رہی ہے تاکہ سماجی اثرات اور گورننس کے طریقہ کار کی شفاف اور معیاری رپورٹنگ کو یقینی بنایا جاسکے، جو ذمہ دار کارپوریٹ گورننس کے عزم کو مزید مضبوط کرتا ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

ہم اجتماعی کوشش پر یقین رکھتے ہیں اور ایک مضبوط تنظیمی کلچر تشکیل دیا ہے جو تمام ملازمین اور اسٹیک ہولڈرز کو فائدہ پہنچاتا ہے۔ ہم سماجی ذمہ داری کو اپنی بنیادی اقدار میں شامل سمجھتے ہیں اور یہ پورے گروپ کے ہر فرد میں جھلکتی ہے۔

پائیدار اور ذمہ دارانہ ترقی نہ صرف قانونی تقاضا ہے بلکہ ایک اخلاقی ذمہ داری بھی ہے جسے بہترین انداز میں اپنانا ضروری ہے۔ ہم اس بات پر یقین رکھتے ہیں کہ ماحولیاتی اور سماجی کارکردگی میں بہتری مالی کامیابی کے لیے ناگزیر ہے۔ کمپنی ہمیشہ بہترین کارکردگی، اچھی گورننس، شفافیت، دیانت داری اور جوابدہی کے پُرکوفروغ دیتی ہے اور مختلف CSR اقدامات کے ذریعے اپنے وژن کے حصول کے لیے کوشاں ہے۔

چیئر پے گیپ اسٹیٹمنٹ

Waves Corporation Limited میں ہم انصاف اور برابری پر یقین رکھتے ہیں۔ ہم ایک ایسا کام کا ماحول فراہم کرنے کے لیے پُر عزم ہیں جہاں تمام ملازمین کو عزت دی جائے اور ترقی کے یکساں مواقع فراہم کیے جائیں۔

ہم اس بات کو یقینی بناتے ہیں کہ ہماری خواتین ملازمین (اگر موجود ہوں) کو مرد ملازمین کے برابر تنخواہ اور مراعات دی جائیں، اور ایسا ماحول فراہم کیا جائے جہاں قابلیت اور محنت کو اصل اہمیت حاصل ہو۔ ہمارا جامع کلچر عمر، جنس، نسل، ازدواجی حیثیت، معذوری، مذہب یا رنگ سے قطع نظر ہر فرد کو قدر کی نگاہ سے دیکھتا ہے۔ خواتین کی بورڈ میں نمائندگی ہمارے اس عزم کا واضح ثبوت ہے۔

ہیومن کپٹیل میں سرمایہ کاری

Waves Corporation Limited بہترین ٹیلنٹ کو اپنی طرف متوجہ کرنے اور انہیں مہارتیں اور مواقع فراہم کرنے پر یقین رکھتی ہے تاکہ وہ اعلیٰ کارکردگی کا مظاہرہ کر سکیں۔

انسانی وسائل (Human Assets)

کمپنی اپنے افراد کو سب سے قیمتی اثاثہ سمجھتی ہے۔ ہم بہترین انسانی وسائل کی بھرتی، تربیت اور ترقی کے لیے مسلسل کوشاں رہتے ہیں۔ مسابقتی مراعات کے ساتھ ساتھ ہمارا کارپوریٹ کلچر ملازمین کی کارکردگی کو بہتر بنانے کے لیے ترتیب دیا گیا ہے۔ ہمارا Succession Planning فریم ورک بھرتی اور ترقی کے عمل کی رہنمائی کرتا ہے۔

تعلیم و تنظیمی ترقی (Organizational Development Learning &)

ہماری افرادی قوت باقاعدگی سے اپنے شعبوں میں تربیت حاصل کرتی ہے۔ سنگر ٹیلنٹ اکیڈمی ملازمین کو جامع تربیتی پروگرام فراہم کرنے میں اہم کردار ادا کرتی ہے۔ ہم ورکشاپس کا انعقاد بھی کرتے ہیں تاکہ ملازمین کو ماریٹ میں ہونے والی نئی تبدیلیوں سے آگاہ رکھا جاسکے۔

اندرونی مالیاتی کنٹرولز کی کفایت (Adequacy of Internal Financial Controls)

کمپنی نے ایک مؤثر اندرونی کنٹرول فریم ورک نافذ کیا ہے، جو بورڈ کی جانب سے قائم کردہ داخلی آڈٹ فنکشن کے ذریعے چلایا جاتا ہے، اور یہ بیرونی آڈٹ سے آزاد ہے۔ کمپنی کا اندرونی کنٹرول سسٹم مضبوط ڈیزائن کا حامل ہے اور اس کی مؤثریت کا مسلسل جائزہ لیا جاتا ہے۔

آڈٹ کمیٹی نے آپریشنل، تعمیلی (Compliance)، رسک مینجمنٹ، مالیاتی رپورٹنگ اور کنٹرول کے اہداف کے حصول کو یقینی بنایا ہے، نیز کمپنی کے اثاثوں اور شیئرز ہولڈرز کے مفادات کا تحفظ کیا ہے۔ داخلی آڈٹ فنکشن نے آڈٹ کمیٹی کے چارٹر کے مطابق اپنی ذمہ داریاں ادا کیں، جبکہ آڈٹ کمیٹی نے اہم داخلی آڈٹ نتائج کا جائزہ لے کر ضروری اقدامات کیے اور جہاں ضرورت ہو معاملات بورڈ کے سامنے پیش کیے۔

بیرونی اور داخلی آڈٹرز کے درمیان مؤثر رابطہ قائم رکھا گیا تاکہ مالیاتی رپورٹنگ کے نظام کی درستگی اور توازن کی تعمیل کو یقینی بنایا جاسکے۔

کارپوریٹ گورننس کے بہترین طریقہ کار (Best Practices of Corporate Governance)

کمپنی کے ضابطہ اخلاق میں اخلاقیات کو بنیادی قدر کے طور پر شامل کیا گیا ہے، اسی لیے Waves Corporation Limited ہر قسم کے امتیاز اور ہراسانی کے خلاف زیرو ٹالرنس پالیسی رکھتی ہے۔ دیانت داری اور کھلی بات چیت کو بھی رپورٹنگ کے عمل میں اہمیت دی جاتی ہے۔ ہم اس بات کو اہم سمجھتے ہیں کہ نتائج کیسے حاصل کیے جاتے ہیں۔

ہم اس بات پر یقین رکھتے ہیں کہ کمپنی سے وابستہ ہر فرد اس کلچر کو اپنائے اور دیانت داری اور جوابدہی کے اعلیٰ معیار پر عمل کرے۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹرز اور ملازمین کے لیے ضابطہ اخلاق منظور کیا ہے، جسے لسٹنگ کمینیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کے مطابق تمام متعلقہ افراد تک پہنچایا گیا ہے، اور یہ کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

** ڈائریکٹرز کا بیان (Statement of Directors) **

کوڈ کے تقاضوں کے مطابق، ہم کمپنی کے ڈائریکٹرز یہ بیان کرتے ہوئے خوش محسوس کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی بیانات کمپنی کی مالی حالت، آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلیوں کی درست عکاسی کرتے ہیں؛
- کمپنی نے حسابات کی مناسب کتب برقرار رکھی ہیں؛
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر اپنایا گیا ہے؛
- اکاؤنٹنگ تخمینے معقول اور محتاط انداز فیصلے پر مبنی ہیں؛
- پاکستان میں قابل اطلاق بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز (IAS) اور IFRS کی پیروی کی گئی ہے؛
- اندرونی کنٹرول کا نظام مؤثر اور مناسب ہے، اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے؛
- کمپنی کے بطور جاری ادارہ (Going Concern) کام جاری رکھنے کی صلاحیت پر کوئی نمایاں شبہ نہیں؛ اور
- کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی اہم انحراف نہیں کیا گیا، سوائے ان کے جو اس سالانہ رپورٹ میں بیان کیے گئے ہیں۔

** بیان تعمیل (Statement of Compliance) **

کمپنی، بہترین کارپوریٹ گورننس طریقہ کار کی پابندی کرتی ہے۔ کمپنی نے لسٹنگ کمینیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کے مطابق "اسٹیٹمنٹ آف کمپلائنس" جاری کیا ہے، جس کا کمپنی کے آڈیٹرز نے بھی جائزہ لے کر اس کی تصدیق کی ہے۔

** مالی سال کے دوران اجلاس اور سرگرمیاں **

سال کے دوران بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے، جن کی صدارت چیئرمین نے کی۔ چیف فنانشل آفیسر اور کمپنی سیکرٹری بھی ضرورت کے مطابق ان اجلاسوں میں شریک ہوئے۔

** بورڈ آف ڈائریکٹرز **

نمبر ڈائریکٹر کا نام	حیثیت	شرکت
1 Haroon Ahmad Khan	سی ای او / ڈائریکٹر	4
2 Moazzam Ahmad Khan	نان ایگزیکٹو ڈائریکٹر	4
3 Nighat Haroon Khan	نان ایگزیکٹو ڈائریکٹر	4
4 Hamza Ahmad Khan	ایگزیکٹو ڈائریکٹر	4
5 Tajammal Hussain Bokharee	آزاد ڈائریکٹر	4
6 Khalid Azim	نان ایگزیکٹو ڈائریکٹر	4
7 Zafar Hussain	آزاد ڈائریکٹر	4

** آڈٹ کمیٹی (Audit Committee) **

بورڈ کی آڈٹ کمیٹی کا رپورٹ گورننس کوڈ کے نفاذ کے بعد سے فعال ہے اور اس میں تین (3) اراکین شامل ہیں۔

چیز میں ایک آزاد اراکین ہیں جبکہ دیگر دو اراکین نان ایگزیکٹو اراکین ہیں۔ سال کے دوران آڈٹ کمیٹی کے پانچ (5) اجلاس منعقد ہوئے۔

نمبر نام	حیثیت	شرکت
1 Tajammal Hussain Bokharae	آزاد اراکین	5
2 Nighat Haroon Khan	نان ایگزیکٹو اراکین	5
3 Moazzam Ahmad Khan	نان ایگزیکٹو اراکین	5

آڈٹ کمیٹی نے اپنے ممبر آف ریفرنس لیکچر (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کے مطابق اختیار کیے ہیں۔

** ہیومن ریسورس اور ریویژن کمیٹی **

ہیومن ریسورس اینڈ ریویژن کمیٹی چار (4) اراکین پر مشتمل ہے، جن میں ایک آزاد، ایک ایگزیکٹو اور دو نان ایگزیکٹو اراکین شامل ہیں۔ سال کے دوران ایک (1) اجلاس منعقد ہوا۔

نمبر نام	حیثیت	شرکت
1 Muhammad Zafar Hussain	چیز میں / آزاد	1
2 Moazzam Ahmad Khan	نان ایگزیکٹو	1
3 Khalid Azeem	نان ایگزیکٹو	1
4 Haroon Ahmad Khan	ایگزیکٹو	1

** بورڈ کی کارکردگی کا جائزہ اور تربیتی پروگرام **

لیکچر (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کے مطابق، بورڈ، اس کی کمیٹیوں اور اراکین کی سالانہ کارکردگی کا جائزہ لینے کے لیے ایک مؤثر نظام نافذ ہے۔ یہ نظام اسٹریٹجک اور آپریشنل اہداف کے مطابق کارکردگی کو جانچتا ہے اور طویل مدتی پائیدار ترقی کو یقینی بنانے میں مدد دیتا ہے۔

** سالانہ جنرل میٹنگ کا نوٹس **

سالانہ جنرل میٹنگ کا نوٹس اس رپورٹ کے ساتھ منسلک ہے۔

** شیئر ہولڈنگ کا پیٹرن **

31 دسمبر 2023 تک کمپنی کے شیئر ہولڈرز کی کل تعداد 6,980 تھی۔ شیئر ہولڈنگ کا تفصیلی پیٹرن اور ڈائریکٹرز و دیگر افراد کی خرید و فروخت کی تفصیلات اس رپورٹ میں فراہم کی گئی ہیں۔

** ڈائریکٹرز کا انتخاب **

موجودہ بورڈ آف ڈائریکٹرز 11 اگست 2023 کو منتخب ہوا، جس میں سات (7) ڈائریکٹرز شامل ہیں، جن میں ایک خاتون نان ایگزیکٹو، دو آزاد، دو نان ایگزیکٹو اور دو ایگزیکٹو ڈائریکٹرز شامل ہیں۔ تفصیلات "اسٹیٹمنٹ آف کمپلائنس" میں فراہم کی گئی ہیں۔

**** ڈائریکٹرز کا معاوضہ ****

بورڈ نے کمپنی کے آئین کمپنیز ایکٹ 2017 اور کارپوریٹ گورننس کوڈ 2019 کے مطابق ڈائریکٹرز کے معاوضے کی پالیسی منظور کی ہے۔ آزاد ڈائریکٹرز کو اجلاس میں شرکت کے عوض فیس دی جاتی ہے۔

**** انویسٹریٹرز اور ویب سائٹ ****

Waves Corporation Limited اپنے سرمایہ کاروں اور اسٹیک ہولڈرز کو بروقت معلومات فراہم کرنے کے لیے پرعزم ہے۔ تمام اہم معلومات کمپنی کی ویب سائٹ (www.waves.net.pk) پر باقاعدگی سے شائع کی جاتی ہیں۔

**** بیرونی آڈیٹرز (External Auditors) ****

آڈٹ کمیٹی نے Co., Chartered Accountants Rizwan & Co. کو 31 دسمبر 2026 کو ختم ہونے والے سال کے لیے بطور آڈیٹرز دوبارہ مقرر کرنے کی سفارش کی ہے، جس کی بورڈ نے توثیق کر دی ہے۔

**** اظہار تشکر (Acknowledgements) ****

ہم اپنے تمام اسٹیک ہولڈرز، خصوصاً صارفین، سپلائرز، کاروباری شراکت داروں، مالیاتی اداروں اور ریگولیٹرز کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا۔ ہم اپنی انتظامیہ اور ملازمین کی محنت اور لگن کو سراہتے ہیں، جن کی کاوشوں کے بغیر یہ کامیابیاں ممکن نہ تھیں۔ بورڈ، State Bank of Pakistan، Securities and Exchange Commission of Pakistan اور Pakistan Stock Exchange کی مسلسل معاونت پر بھی شکریہ ادا کرتا ہے۔ ہم اپنے شیئر ہولڈرز کے اعتماد اور تعاون کے بھی تہ دل سے مشکور ہیں۔

**** بورڈ کی جانب سے ****

بورڈ آف ڈائریکٹرز کی جانب سے Waves Corporation Limited (ویوز یا کمپنی) کے لیے، مجھے یہ خوشی ہے کہ میں 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے چیمبر میں کا جائزہ پیش کر رہا ہوں، جو کہ لٹیکمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کی ضروریات کے مطابق ہے۔ بورڈ شفافیت، جوابدہی اور تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر کے فروغ پر بھرپور توجہ کے ساتھ اپنی امانتی ذمہ داریاں ادا کرتا رہا ہے۔ ہم کمپنی کی اسٹریٹجک سمت متعین کرنے میں اپنے کردار سے بخوبی آگاہ ہیں اور اس بات کو یقینی بناتے ہیں کہ مؤثر کنٹرول ماحول اور مضبوط گورننس طریقہ کار مسلسل برقرار رہیں۔

بورڈ میں ایگزیکٹو، نان ایگزیکٹو اور آڈائٹرز کا متوازن امتزاج شامل ہے، جن میں خواتین کی نمائندگی بھی موجود ہے، جو مختلف مہارتوں، تجربات اور نقطہ نظر کو یکجا کرتا ہے۔ یہ تنوع بہتر اور باخبر فیصلے کرنے میں مدد دیتا ہے اور بدلتے ہوئے کاروباری ماحول میں مؤثر نگرانی کی صلاحیت کو مضبوط بناتا ہے۔ زیر جائزہ سال کے دوران، بورڈ کمپنی کی مالی اور آپریشنل کارکردگی کی نگرانی میں سرگرم رہا۔ بورڈ نے یہ بھی یقینی بنایا کہ کمپنی کے اثاثوں کے تحفظ اور اخلاقی طریقہ عمل کے فروغ کے لیے مناسب پالیسیاں اور طریقہ کار موجود ہوں۔

کوڈ کی ضروریات کے مطابق، بورڈ نے اپنی کارکردگی کے ساتھ ساتھ اپنی کمیٹیوں اور انفرادی اراکین کی سالانہ جانچ بھی کی ہے۔ اس جائزہ عمل کا مقصد مسلسل بہتری اور مجموعی مؤثریت کو بڑھانا ہے۔ بورڈ اور اس کی کمیٹیوں کی تشکیل ضابطہ جاتی تقاضوں کے مطابق رہی، اور تمام تقرریاں اور استعافات متعلقہ قوانین اور ضوابط کے تحت انجام دیے گئے۔ بورڈ نے اس بات کو یقینی بنایا کہ اندرونی کنٹرول کا ایک مضبوط نظام موجود ہو، جس کا باقاعدگی سے آڈٹ کمیٹی اور داخلی آڈٹ فنکشن کے ذریعے جائزہ لیا جاتا ہے۔ ان کنٹرولز کی مؤثریت مالیاتی رپورٹنگ کی درستگی اور اثاثوں کے تحفظ کے حوالے سے معقول یقین دہانی فراہم کرتی ہے۔

سال 2025 کے دوران مشکل معاشی حالات کے باوجود، کمپنی نے محتاط مالیاتی نظم و نسق اور موافق حکمت عملیوں کے ذریعے اپنی مضبوطی کا مظاہرہ کیا۔ بورڈ انتظامیہ کے ساتھ قریبی رابطے میں رہتا تاکہ ان چیلنجز سے نمٹا جاسکے اور پائیدار ترقی کے مواقع تلاش کیے جاسکیں۔ مستقبل کے حوالے سے قلیل مدتی منظر نامہ محتاط امید پر مبنی ہے، تاہم پبلنٹس شیٹ کے بعد کے جغرافیائی و سیاسی حالات اس پر اثر انداز ہو سکتے ہیں۔ 2026 کے اوائل میں ایران اور امریکہ/اسرائیل کے درمیان کشیدگی میں اضافے نے آبنائے ہر مز کے ذریعے تیل کی ترسیل کو متاثر کیا، جس کے نتیجے میں پاکستان میں ایندھن کی قیمتوں میں نمایاں اضافہ ہوا اور توانائی، نقل و حمل اور خام مال کے اخراجات بڑھ گئے۔ اس سے ہوم پلائنٹری سیکٹر میں صارفین کی طلب پر مزید باؤ پڑنے کا خدشہ ہے۔

پاکستان نے ایک مثبت ثالثی کردار ادا کرتے ہوئے 18 اپریل 2026 کو دو ہفتوں کی جنگ بندی کروائی۔ اسلام آباد میں مستقل حل کے لیے اعلیٰ سطحی مذاکرات جاری ہیں، تاہم مختلف تشریحات اور علاقائی کشیدگی کے باعث جنگ بندی اب بھی نازک ہے۔ گروپ اس غیر یقینی صورتحال میں لیکویڈٹی کے تحفظ، لاگت میں کمی اور توانائی کی بچت والے مصنوعات کی حکمت عملیوں پر توجہ مرکوز کیے ہوئے ہے تاکہ طویل مدتی بنیادوں پر شیئر ہولڈرز کے لیے قدر پیدا کی جاسکے۔

آخر میں، میں اپنے ساتھی بورڈ ممبران کا شکریہ ادا کرنا چاہتا ہوں جنہوں نے اپنی لگن، تعمیری آراء اور اعلیٰ معیار کی گورننس کے لیے وابستگی کا مسلسل مظاہرہ کیا۔ میں انتظامیہ اور ملازمین کی کاوشوں کو بھی سراہتا ہوں جنہوں نے سال کے دوران کمپنی کی کارکردگی میں اہم کردار ادا کیا۔

WAVES CORPORATION LIMITED
BALLOT PAPER FOR VOTING THROUGH POST

For the poll at the Annual General Meeting of Waves Corporation Limited (WAVES or the Company) to be held on Thursday, 30 April 2026, at 12:00 p.m. at the Registered Office of the Company.

The designated email address for the Chairman at which the duly filled-in ballot paper can be sent is cs@waves.net.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held (shall be taken as of the book closure in the notice)	
CNIC, NICOP/Passport No. (for a foreigner) (Copy to be attached)	
Additional Information (In case of a representative of a body corporate, corporation, and the Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of a foreigner) of Authorized Signatory - (Copy to be attached)	

Special Business: Resolution 4

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing a tick (✓) mark in the relevant box below, or may write "Approve" or "Disapprove."

"Resolved that the transactions carried out by the Company with Waves Corporation Limited, Waves Marketplace Limited, Waves Builders and Developers (Private) Limited and Employees' Pension/Gratuity/Provident Fund (as the case may be), during the financial year 31 December 2025 as given in the related party note of the Annual Audited Financial Statements of the Company for the year ended 31 December 2025, be and hereby are ratified and approved."

No.	Resolution Information	I/We approve Resolution	I/We disapprove of the Resolution
1	Special Business: Resolution 4	For:	Against:

Special Business: Resolution 5

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing a tick (✓) mark in the relevant box below, or may write "Approve" or "Disapprove."

"Resolved further that the Board of Directors of the Company is authorized to approve all related party transactions to be carried out on a case-by-case basis during the financial year 31 December 2026. These transactions shall be deemed to be approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval."

No.	Resolution Information	I/We approve Resolution	I/We disapprove of the Resolution
1	Special Business: Resolution 5	For:	Against:

Special Business: Resolution 6

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing a tick (✓) mark in the relevant box below, or may write "Approve" or "Disapprove."

Resolved that the consent and approval be and is hereby accorded to the Company to extend the tenure of receivable of PKR 2.54 Billion (including capitalized markup) from Waves Home Appliances Limited (WAVESAPP), a subsidiary of the Company, for a period of further 03 (three) year, starting from 27 May 2026, being the expiry date of the existing tenure.

Further resolved that the subject receivable of PKR 2.54 Billion will be subject to such return, which shall not be less than the average borrowing cost of the Company or KIBOR, whichever is higher. The Board of Directors of the Company is authorized to determine a mechanism for periodic settlement of receivable/return from WAVESAPP in a manner as it may deem appropriate (including settling through capitalization), taking into consideration negotiation/discussion with the Board of WAVESAPP.

Further resolved that in case any return on receivable is outstanding at the end of the extended/renewed tenure, then such outstanding return/markup shall be added in the above-referred principal amount of PKR 2.54 Billion as settlement of the return. For this purposes, approval is also granted to enhance the existing amount of outstanding receivable of PKR 2.54 Billion up to PKR 4.0 Billion which shall include the base principal and any such return/markup that may be capitalized from time to time during the extended period (being the maximum investment limit).

Resolved further that the Chief Executive Officer is authorized to undertake all necessary corporate and regulatory formalities where required, for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential in order as and when required including negotiating mechanism of settlement of the receivable/return, signing of necessary agreement/documents or any other formalities that may be required subject to approval of the Board where required. The Chief Executive Officer is also authorized to appoint any person of the Company as his/her attorney for any matter that he may deems appropriate.

No.	Resolution Information	I/We approve Resolution	I/We disapprove of the Resolution
1	Special Business: Resolution 6	For:	Against:

Signature of Shareholder
Number of Shares Held
Place and Date

Notes:

1. A duly filled postal ballot should be sent to the Chairman of the Company, at 9-KM, Multan Road, Lahore (Waves Factory Office), along with a copy of CNIC, NICOP/Passport (for a foreigner). The form should reach 48 hours before the meeting. The Signature on the postal ballot should match with the signatures on the CNIC, NICOP/Passport.
2. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten, or expired identification copies shall be rejected.

WAVES CORPORATION LIMITED

FORM OF PROXY

The Company Secretary
Waves Corporation Limited
9 KM, Multan Road, Lahore

I/ We _____
of _____
being a member of **Waves Corporation Limited** hereby appoint

_____ of _____
or failing him _____
of _____

as my proxy in my absence to attend, speak and vote for me on my behalf at the Annual General Meeting of the Company to be held on Thursday, 30 April 2026 at 12:00 p.m. and at any adjournment thereof.

As witness my / our hand this _____ day of _____.

Witness No.1

Name : _____
Address : _____

CNIC No.: _____

Witness No. 2

Name : _____
Address : _____

CNIC No.: _____

**Rs. 50/-
Revenue
Stamp**

Signature of Member(s)

(Name in Block letters)

Folio No. _____

Participant ID No. _____

No. of shares _____

Account No. in CDC _____

Important

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in the Notice of Meeting.
2. A Member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
3. Members are requested:
 - (a) To affix Revenue Stamp of Rs. 50/- at the place indicated above.
 - (b) To sign across the Revenue Stamp in the same style of signature as is registered with the Company.
 - (c) To write down their Folio Numbers.
4. This form of proxy, duly completed and signed across a Rs. 50/- revenue stamp, must be deposited/sent at the Company's Registered Office not less than 48 hours before the time for holding the meeting or may be sent through the email as given in this notice followed by courier/post to the Company's registered office.

ویوز کارپوریشن لمیٹڈ

پرائیسی فارم

کمپنی سیکرٹری

ویوز کارپوریشن لمیٹڈ

9 کلویسٹر، ملتان روڈ، لاہور

میں اہم _____
ساکن _____

بحیثیت رکن ویوز کارپوریشن لمیٹڈ اور حامل _____ عام حصص برطابق شیئرز رجسٹرڈ لیونمبر _____
(بصورت منٹریل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹسپینٹ (شرکت) آئی ڈی نمبر _____) _____
بذریعہ ہذا

محترم / محترمہ _____ ساکن _____
جو کمپنی کا ممبر ہے برطابق شیئرز رجسٹرڈ لیونمبر _____

(بصورت منٹریل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹسپینٹ (شرکت) آئی ڈی نمبر _____) _____
یا اسکی غیر موجودگی میں محترم / محترمہ _____ ساکن _____
جو کمپنی کا ممبر ہے برطابق شیئرز رجسٹرڈ لیونمبر _____

(بصورت منٹریل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹسپینٹ (شرکت) آئی ڈی نمبر _____) _____
موریہ جمعرات 30، اپریل 2026ء میں منعقد ہونے والے سالانہ اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا / کرتی کرتے ہوں / ہیں۔

دستخط: _____ آج بروز: _____ تاریخ: _____ 2026ء

گواہ:

50 روپے کارسیدی ٹکٹ
چسپاں کریں

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے
مطابق ہونے چاہئیں

۱- دستخط: _____

۲- دستخط: _____

نام: _____

پتہ: _____

شناختی کارڈ نمبر: _____

۱- دستخط: _____

نام: _____

پتہ: _____

شناختی کارڈ نمبر: _____

اہم ترین

1. CDC اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ میٹنگ کے نوٹس میں بیان کردہ رہنما خطوط پر سختی سے عمل کریں۔

2. جنرل میٹنگ میں شرکت کا حقدار رکن اس کے بجائے شرکت کرنے اور ووٹ دینے کے لیے ایک پرائیسی مقرر کرنے کا حقدار ہے۔

3. اراکین سے درخواست کی جاتی ہے:

(a) اوپر بتائی گئی جگہ پر -50 روپے کارپوریٹیشن چسپاں کرنا۔

(b) ریونیو ٹیمپ پر دستخط کے اسی انداز میں دستخط کرنا جس طرح کمپنی کے ساتھ رجسٹرڈ ہے۔

(c) ان کے فون نمبر لکھنا۔

4. پرائیسی کا یہ فارم، جس پر مکمل اور دستخط شدہ -50 روپے ریونیو ٹیمپ، میٹنگ کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں جمع / بھیجا جانا چاہیے یا ای میل کے ذریعے بھیجا جاسکتا ہے جیسا کہ اس نوٹس میں دیا گیا ہے اور اس کے بعد کمپنی کے رجسٹرڈ آفس کو کوریئر / پوسٹ کے ذریعے بھیجا جاسکتا ہے۔

WAVES CORPORATION LIMITED

9-Km, Multan Road

lahore

Ph: 042-35415421-5

UAN: +92(42)111-31-32-33

Email: cs@waves.net.pk | www.waves.net.pk

